New Issue

FINAL OFFICIAL STATEMENT

Insurance: AGM
Investment Rating: Standard and Poors Rating Services "AAA" (Negative Outlook)

*Under present law, interest on the Bonds is not excludable from gross income of the owners hereof for federal income tax purposes. Holders of the Bonds should consult their tax advisors with respect to the inclusion of interest on the Bonds in gross income for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "**TAX MATTERS,**" and "**RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS**" herein for a more complete discussion.*

THE COUNTY OF UNION, ILLINOIS

$1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A
(Recovery Zone Economic Development Bonds (Direct Payment))
$12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B
(Build America Bonds (Direct Payment))
$725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C

Dated: September 29, 2010 **Due: As Detailed Herein**

The $1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment)), (the "2010A Bonds"), $12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment)) (the "2010B Bonds"), and the $725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C (the "2010C Bonds"), (Collectively, the 2010A Bonds, 2010B Bonds and 2010C Bonds are the "Bonds"), are being issued by The County of Union, Illinois (the "County"). Interest on the Bonds is payable semi-annually on September 1 and March 1 of each year, commencing September 1, 2011. The Bonds will be issued using a book-entry system. The Bank of New York Mellon Trust Company N.A., St. Louis, Missouri will act as the Paying Agent and Bond Registrar for the Bonds ("Paying Agent" and "Bond Registrar"). The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. Individual purchases will be made in book-entry form only in denominations of $5,000 principal amount or any authorized integral multiple thereof.

PURPOSE AND SECURITY

The 2010A Bonds are being issued to finance the costs of (i) certain capital projects within the County, including, but not limited to, the construction and equipping of a new courthouse (the "Project") and (ii) pay costs associated with the issuance of the 2010A Bonds. See "**THE PROJECT**" herein.

The 2010B Bonds are being issued to finance the costs of (i) certain capital projects within the County, including, but not limited to, the construction and equipping of a new courthouse (the "Project") and (ii) pay costs associated with the issuance of the 2010B Bonds. See "**THE PROJECT**" herein.

The 2010C Bonds are being issued to (i) pay costs associated with the issuance of the 2010A, 2010B and 2010C Bonds. See "**THE PROJECT**" herein. In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, the Bonds are lawfully issued and valid and legally binding upon the County.

Principal of and interest on the Bonds are payable from (i) the one percent (1%) public facility sales tax that was approved via referendum on February 2, 2010 for purposes of public facilities (the "Sales Taxes"), (ii) the County's receipts of State of Illinois Income Taxes and share of County Sales Taxes (the "Revenue Sharing Receipts, and together with the Sales Taxes, the "Escrowed Pledged Revenues"), distributed pursuant to applicable law, and (iii) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount (the "Pledged Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "**THE BONDS - Security for the Bonds**" herein.

OPTIONAL REDEMPTION

The 2010A Bonds maturing on and after September 1, 2042 are subject to optional redemption prior to maturity at the option of the County in whole or in part on any date on and after September 1, 2020, in any order of maturity as specified by the County, but in inverse order if none is specified, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, less than all of the 2010A Bonds of a single maturity to be selected by lot as the Bond Registrar determines, on the applicable redemption date and at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the redemption date. See "**THE BONDS –Optional Redemption- 2010A Bonds**" herein.

The 2010B Bonds maturing on and after September 1, 2021 are subject to optional redemption prior to maturity at the option of the County in whole or in part on any date on and after September 1, 2020, in any order of maturity as specified by the County, but in inverse order if none is specified, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, less than all of the 2010B Bonds of a single maturity to be selected by lot as the Bond Registrar determines, on the applicable redemption date and at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the redemption date. See "**THE BONDS –Optional Redemption-2010B Bonds**" herein.

The 2010C Bonds will not be subject to optional redemption.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) ("AGM" or the "Insurer").**

ASSURED GUARANTY MUNICIPAL

The Bonds are offered subject to prior sale, when, as and if issued by the County and accepted by the Underwriter, and subject to the approval of the legality by Ice Miller LLP, Chicago, Illinois, Bond Counsel. It is expected that the Bonds will be available for delivery in definitive form on or about September 29, 2010.

BERNARDI SECURITIES, INC.

This Official Statement is dated September 21, 2010.

THE COUNTY OF UNION, ILLINOIS

MATURITIES, INTEREST RATES AND YIELDS

$1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment))

Amount	Due September 1,	Interest Rate	Yield	
$ 1,070,000	2042	7.45%	7.45%	TERM

TERM - Term Bond subject to Mandatory Sinking Fund Redemption beginning September 1, 2041.

* Term Bonds subject to Mandatory Sinking Fund Redemption. See **"THE 2010A BONDS – Mandatory Sinking Fund Redemption"** herein.

$12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment))

Amount	Due September 1,	Interest Rate	Yield	
$ 280,000	2015	3.40%	3.40%	
285,000	2016	3.70%	3.70%	
295,000	2017	4.30%	4.30%	
300,000	2018	4.55%	4.55%	
310,000	2019	4.80%	4.80%	
320,000	2020	5.00%	5.00%	
330,000	2021	5.20%	5.20%	
345,000	2022	5.40%	5.40%	
355,000	2023	5.60%	5.60%	
370,000	2024	5.80%	5.80%	
390,000	2025	6.00%	6.00%	
400,000	2026	6.20%	6.20%	
1,805,000	2030	6.90%	6.90%	TERM 1
6,350,000	2040	7.25%	7.25%	TERM 2
500,000	2041	7.35%	7.35%	

TERM 1 - Term Bond subject to Mandatory Sinking Fund Redemption beginning September 1, 2027.
TERM 2 - Term Bond subject to Mandatory Sinking Fund Redemption beginning September 1, 2031.

* Term Bonds subject to Mandatory Sinking Fund Redemption. See **"THE 2010B BONDS – Mandatory Sinking Fund Redemption"** herein.

$725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C

Amount	Due September 1,	Interest Rate	Yield
$ 100,000	2011	1.70%	1.70%
295,000	2012	2.00%	2.00%
165,000	2013	2.40%	2.40%
165,000	2014	2.50%	2.50%

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this Final Official Statement, may be supplemented or corrected by the County from time to time (collectively the "Final Official Statement"), and shall be treated as a near final Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the County.

This Final Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Final Official Statement. Where statutes, reports, or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

No dealer, broker, salesman or other person has been authorized by the County or the Underwriter to give any information or to make any representations, other than those contained in this Final Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Final Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor, shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Final Official Statement has been furnished by the County and by DTC and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of, either the Underwriter or the County. The information and expression of opinion herein are subject to change without notice, and neither the delivery of this Final Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

Any statements made in this Final Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Final Official Statement contains certain forward-looking statements and information that are based on the County's beliefs as well as assumptions made by and information currently available to the County. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE BONDS ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE CRIMINAL OFFENSE.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SPECIFICALLY, THE UNDERWRITER MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAYBE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified to their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Final Official Statement they will be furnished on request.

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix C - Specimen Municipal Bond Insurance Policy".

BOND ISSUE SUMMARY – 2010A BONDS

This 2010A Bond Issue Summary is expressly qualified by the entire Final Official Statement which should be reviewed in its entirety by potential investors.

Issuer: The County of Union, Illinois

Issue: $1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment))

Dated Date: September 29, 2010

Interest Due: Semiannually, September 1 and March 1, commencing September 1, 2011.

Maturities: Term Bond matures on September 1, 2042. See **"MANDATORY SINKING FUND REDEMPTION"** herein.

Redemption: The 2010A Bonds maturing on and after September 1, 2042 are subject to optional redemption prior to maturity at the option of the County in whole or in part on any date on and after September 1, 2020, in any order of maturity as specified by the County, but in inverse order if non is specified, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, less than all of the 2010A Bonds of a single maturity to be selected by lot as the Bond Registrar determines, on the applicable redemption date and at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the redemption date. See **"THE BONDS – Optional Redemption-2010A Bonds"** herein.

Purpose: The 2010A Bonds are being issued to finance the costs of (i) certain capital projects within the County, including, but not limited to, the construction and equipping of a new courthouse (the "Project") and (ii) pay costs associated with the issuance of the 2010A Bonds. See **"THE PROJECT"** herein. In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, the 2010A Bonds are lawfully issued and valid and legally binding upon the County.

Security: Principal of and interest on the 2010A Bonds are payable from (i) the one percent (1%) county-wide sales tax that was approved via referendum on February 2, 2010 for purposes of public facilities (the "Sales Taxes"), (ii) the County's receipts of State of Illinois Income Taxes and share of County Sales Taxes (the "Revenue Sharing Receipts, and together with the Sales Taxes, the "Escrowed Pledged Revenues"), distributed pursuant to applicable law, and (iii) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount (the "Pledged Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. See **"THE BONDS - Security for the Bonds"** herein.

No Bank-Qualification: The 2010A Bonds are not tax-exempt and will not be "bank qualified".

Insurance: Assured Guaranty Municipal Corp. See **"BOND INSURANCE"** herein.

Rating: Standard & Poor's, a Division of the McGraw-Hill Companies is expected to assign a municipal bond rating of "AAA" (Negative Outlook) to the Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing the payment when due of principal of and interest on the Bonds will be issued by AGM. See **"BOND RATING"** herein.

Paying Agent/ Bond Registrar: The Bank of New York Mellon Trust Company N.A., St. Louis, Missouri, will act as the Paying Agent and Bond Registrar for the Bonds (the "Paying Agent" and "Bond Registrar").

Underwriter: Bernardi Securities, Inc., Chicago, Illinois.

BOND ISSUE SUMMARY – 2010B BONDS

This 2010B Bond Issue Summary is expressly qualified by the entire Final Official Statement which should be reviewed in its entirety by potential investors.

Issuer: The County of Union, Illinois

Issue: $12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment))

Dated Date: September 29, 2010

Interest Due: Semiannually, September 1 and March 1, commencing September 1, 2011.

Maturities: Serially, maturing on September 1, 2018 through September 1, 2026, and September 1, 2041. Term Bonds, maturing on September 1, 2030 and September 1, 2040. See "**MANDATORY SINKING FUND REDEMPTION**" herein.

Redemption: The 2010B Bonds maturing on and after September 1, 2021 are subject to optional redemption prior to maturity at the option of the County in whole or in part on any date on and after September 1, 2020, in any order of maturity as specified by the County, but in inverse order if non is specified, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, less than all of the 2010B Bonds of a single maturity to be selected by lot as the Bond Registrar determines, on the applicable redemption date and at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the redemption date. See **"THE BONDS – Optional Redemption-2010B Bonds"** herein.

Purpose: The 2010B Bonds are being issued to finance the costs of (i) certain capital projects within the County, including, but not limited to, the construction and equipping of a new courthouse (the "Project") and (ii) pay costs associated with the issuance of the 2010B Bonds. See "**THE PROJECT**" herein. In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, the 2010B Bonds are lawfully issued and valid and legally binding upon the County.

Security: Principal of and interest on the 2010B Bonds are payable from (i) the one percent (1%) county-wide sales tax that was approved via referendum on February 2, 2010 for purposes of public facilities (the "Sales Taxes"), (ii) the County's receipts of State of Illinois Income Taxes and share of County Sales Taxes (the "Revenue Sharing Receipts, and together with the Sales Taxes, the "Escrowed Pledged Revenues"), distributed pursuant to applicable law, and (iii) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount (the "Pledged Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. See "**THE BONDS - Security for the Bonds**" herein.

No Bank-Qualification: The 2010B Bonds are not tax-exempt and will not be "bank qualified".

Insurance: Assured Guaranty Municipal Corp. See "**BOND INSURANCE**" herein.

Rating: Standard & Poor's, a Division of the McGraw-Hill Companies is expected to assign a municipal bond rating of "AAA" (Negative Outlook) to the Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing the payment when due of principal of and interest on the Bonds will be issued by AGM. See **"BOND RATING"** herein.

Paying Agent/ Bond Registrar: The Bank of New York Mellon Trust Company N.A., St. Louis, Missouri, will act as the Paying Agent and Bond Registrar for the Bonds (the "Paying Agent" and "Bond Registrar").

~~**Underwriter:** Bernardi Securities, Inc., Chicago, Illinois.~~

BOND ISSUE SUMMARY – 2010C BONDS

This 2010C Bond Issue Summary is expressly qualified by the entire Final Official Statement which should be reviewed in its entirety by potential investors.

Issuer: The County of Union, Illinois

Issue: $725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C

Dated Date: September 29, 2010

Interest Due: Semiannually, September 1 and March 1, commencing September 1, 2011.

Maturities: Serially, maturing on September 1, 2011 through September 1, 2014.

No Optional Redemption: The 2010C Bonds are not subject to optional redemption.

Purpose: Proceeds of the 2010C Bonds, when issued, will be used to (i) pay costs associated with the issuance of the 2010A, 2010B and 2010C Bonds. In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, the 2010C Bonds are lawfully issued and valid and legally binding upon the County.

Security: Principal of and interest on the 2010C Bonds are payable from (i) the one percent (1%) county-wide sales tax that was approved via referendum on February 2, 2010 for purposes of public facilities (the "Sales Taxes"), (ii) the County's receipts of State of Illinois Income Taxes and share of County Sales Taxes (the "Revenue Sharing Receipts, and together with the Sales Taxes, the "Escrowed Pledged Revenues"), distributed pursuant to applicable law, and (iii) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount (the "Pledged Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. See **"THE BONDS - Security for the Bonds"** herein.

No Bank-Qualification: The 2010C Bonds are not tax-exempt and will not be "bank qualified".

Insurance: Assured Guaranty Municipal Corp. See **"BOND INSURANCE"** herein.

Rating: Standard & Poor's, a Division of the McGraw-Hill Companies is expected to assign a municipal bond rating of "AAA" (Negative Outlook) to the Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing the payment when due of principal of and interest on the Bonds will be issued by AGM. See **"BOND RATING"** herein.

Paying Agent/ Bond Registrar: The Bank of New York Mellon Trust Company N.A., St. Louis, Missouri, will act as the Paying Agent and Bond Registrar for the Bonds (the "Paying Agent" and "Bond Registrar").

Underwriter: Bernardi Securities, Inc., Chicago, Illinois.

Statement of Long-Term Bonded Indebtedness
(As of September 21, 2010)

	Amount Applicable	Per Capita (2008 Pop. est.18,191)	Percent of Equalized Assessed Valuation	Estimated True Value
Equalized Assessed Valuation, 2009	$ 173,199,262	$ 9,521	100.00%	33.33%
Estimated True Value, 2009	$ 519,597,786	$ 28,563	300.00%	100.00%
Direct General Obligation Debt (including this issue)	$ 17,140,000	$ 942	9.90%	3.30%
Less: Self-Supporting Debt (1) (2)	$ (15,400,000)	$ (847)	(8.89%)	(2.96%)
Total Net Direct General Obligation Debt(3)	$ 1,740,000	$ 96	1.01%	0.34%
Total Overlapping Bonded Debt	$ 9,237,837	$ 508	5.33%	1.78%
Total Direct & Overlapping Debt	$ 10,997,837	$ 605	6.34%	2.12%

(1) Under applicable law, Self-Insurance Bonds do not count against the County's debt limit.

(2) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds such as the Bonds, do not count against the County's overall 5.750% of E.A.V. statutory debt limitation unless the County fails to abate the property tax levies made for the payment therein.

(3) The County has chosen to extend the ad valorem tax for the 2006 Bonds that were issued as alternate revenue source bonds. This has caused the 2006 outstanding principal amount to be counted against the County's legal debt margin.

Source: The offices of the County Clerk of the County of Union and the County's Audited Financial Statement 2009.

THE COUNTY OF UNION, ILLINOIS

County Board Chairman
Randy Lambdin

County Commissioners
John Garner
Don Denny

County Clerk
Bobby Toler, Jr.

County Treasurer
Bobby G. Myers

States Attorney
Tyler R. Edmonds

Bond Counsel
Ice Miller LLP
Chicago, Illinois

Underwriter's Counsel
LakinChapman LLC
Wood River, Illinois

Feasibility Report
Austin Meade Financial, Ltd.
Naperville, Illinois

Underwriter
Bernardi Securities, Inc.
Chicago, Illinois

FINAL OFFICIAL STATEMENT

THE COUNTY OF UNION, ILLINOIS

$1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment))
$12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source, Series 2010B (Build America Bonds (Direct Payment))
$725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C

INTRODUCTION

This Final Official Statement including the cover page and Appendices hereto, is provided by The County of Union, Illinois (the "County") to furnish information in connection with its issuance of the $1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment)), (the "2010A Bonds"), $12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment)) (the "2010B Bonds"), and the $725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C (the "2010C Bonds"), (Collectively, the 2010A Bonds, 2010B Bonds and 2010C Bonds are the "Bonds").

Brief descriptions of the Bonds and the County are included in this Final Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the authorizing ordinance was adopted September 7, 2010, for the Bonds (the "Bond Ordinance"), and any other documents are qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Bond Ordinance.

THE BONDS

Project

The 2010A Bonds are being issued to finance the costs of (i) certain capital projects within the County, including, but not limited to, the construction and equipping of a new courthouse (the "Project") and (ii) pay costs associated with the issuance of the 2010A Bonds.

The 2010B Bonds are being issued to finance the costs of (i) certain capital projects within the County, including, but not limited to, the construction and equipping of a new courthouse (the "Project") and (ii) pay costs associated with the issuance of the 2010B Bonds.

The 2010C Bonds are being issued to (i) pay costs associated with the issuance of the 2010A, 2010B and 2010C Bonds.

In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, the Bonds are lawfully issued and valid and legally binding upon the County.

Authorization and Security

The County hereby authorizes and directs the Chairman to direct the Departments of Revenue of the State of Illinois to transfer all of the (i) 1% county-wide Sales Tax approved via referendum on February 2, 2010 (the "1% County-wide Sales Tax"), and (ii) share of the County's Sales Taxes other than public safety sales taxes (collectively, with the 1% County-wide sales tax, the "Escrowed Pledged Revenues") directly to the Paying Agent and authorizes and directs the Chairman to execute a Paying Agent and Custodial Agreement with the Paying Agent that provides that the Escrowed Pledged Revenues are to be deposited directly from the State of Illinois to the Paying Agent. See "**Appendix F**" herein.

The County must demonstrate that the Pledged Revenues are sufficient in each year to provide for payment of costs of operation and maintenance of the County, not including depreciation, debt service on all outstanding revenue bonds payable from such Pledged Revenues, all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, other contractual or tort liability obligations, if any, payable from the Pledged Revenues and in each year, an amount not less than 1.25 times ~~debt service on the alternate bonds. The determination is supported by a feasibility study of the County prepared by Austin Meade Financial Ltd. See "**DEBT SERVICE COVERAGE**" herein.~~

In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, the Bonds are general obligations of County payable from (i) the one percent (1%) county-wide Sales Tax that was approved via referendum on February 2, 2010 for purposes of public facilities (the "Sales Taxes"), (ii) the County's receipts of State of Illinois Income Taxes and share of County Sales Taxes (the "Revenue Sharing Receipts, and together with the Sales Taxes, the "Escrowed Pledged Revenues"), distributed pursuant to applicable law, and (iii) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount (the "Pledged Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion.

Description

The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, will act as the Paying Agent and Registrar for the Bonds (the "Paying Agent" and "Bond Registrar"). The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender of such Bonds as they respectively become due at the designated payment office of the Paying Agent. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. Interest on the Bonds shall be payable September 1, 2011 to the registered owners of record appearing on the registration books maintained by the Bond Registrar on behalf of the County for such purpose as of the close of business on the fifteenth (15^{th}) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date.

Optional Redemption

2010A Bonds

The 2010A Bonds maturing on and after September 1, 2042, shall be subject to redemption prior to maturity on September 1, 2020, and thereafter in whole or in part on any date, in any order of maturity specified by the County (but in inverse order if none is specified) at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption.

The 2010A Bonds shall be redeemed only in the principal amount of $5,000 or any authorized integral multiple thereof. When less than all of the outstanding 2010A Bonds of a maturity are to be redeemed and paid prior to maturity, the Bond Registrar shall select 2010A Bonds for redemption in $5,000 units of face value by lot in such equitable manner as the Bond Registrar may determine.

2010B Bonds

The 2010B Bonds maturing on and after September 1, 2021, shall be subject to redemption prior to maturity on September 1, 2020, and thereafter in whole or in part on any date, in any order of maturity specified by the County (but in inverse order if none is specified) at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption.

The 2010B Bonds shall be redeemed only in the principal amount of $5,000 or any authorized integral multiple thereof. When less than all of the outstanding 2010B Bonds of a maturity are to be redeemed and paid prior to maturity, the Bond Registrar shall select 2010B Bonds for redemption in $5,000 units of face value by lot in such equitable manner as the Bond Registrar may determine.

2010C Bonds

The 2010C Bonds are not subject to optional redemption.

Term Bonds – Mandatory Redemption

Under the Bond Resolution, the 2010A and 2010B Bonds are issued as Term Bonds and are subject to mandatory sinking fund redemption (the "Term Bonds") as set forth below. The District, at its option before the 45th day (or such lesser time acceptable to the Bond Registrar) next preceding any mandatory sinking fund redemption date in connection with Term Bonds the District by furnishing the Bond Registrar and the Paying Agent an appropriate certificate of direction and authorization executed by the District's President, Superintendent or Treasurer may: (i) deliver to the Bond Registrar for cancellation Term Bonds in any authorized aggregate principal amount desired; or (ii) furnish the Paying Agent funds for the purpose of purchasing any of such Term Bonds as arranged by the District; or (iii) receive a credit (not previously given) with respect to the mandatory sinking fund redemption obligation for such Term Bonds which prior to such date have been redeemed and cancelled. Each such 2010A and 2010B Bond so delivered, previously purchased or redeemed shall be credited at 100% of the principal amount thereof, and any excess shall be credited with regard to future mandatory sinking fund redemption obligations for such 2010A and 2010B Bonds in chronological order, and the principal amount of 2010A and 2010B Bonds to be so redeemed as provided shall be accordingly reduced. In the event 2010A and 2010B Bonds being so redeemed are in a denomination greater than $5,000, a portion of such 2010A and 2010B Bonds may be so redeemed, but such portion shall be in the principal amount of $5,000 or any authorized integral multiple thereof.

Mandatory Sinking Fund Redemption

Series 2010A

Series 2010A Bonds maturing on September 1, 2042, are Term Bonds, which are required to be redeemed prior to maturity in the principal amount thereof on September 1 of the years, plus accrued interest to the redemption date, as follows

Year	Principal Amount
2041	$215,000
2042	$855,000 (FINAL MATURITY)

Series 2010B

Series 2010B Bonds maturing on September 1, 2030, are Term Bonds, which are required to be redeemed prior to maturity in the principal amount thereof on September 1 of the years, plus accrued interest to the redemption date, as follows

Year	Principal Amount	
2027	$420,000	
2028	$440,000	
2029	$460,000	
2030	$485,000	(FINAL MATURITY)

Series 2010B Bonds maturing on September 1, 2040, are Term Bonds, which are required to be redeemed prior to maturity in the principal amount thereof on September 1 of the years, plus accrued interest to the redemption date, as follows

Year	Principal Amount	
2031	$505,000	
2032	$530,000	
2033	$555,000	
2034	$585,000	
2035	$610,000	
2036	$645,000	
2037	$675,000	
2038	$710,000	
2039	$745,000	
2040	$790,000	(FINAL MATURITY)

Notice of Redemption

Notice of the call for any redemption identifying the 2010A and 2010B Bonds, or portions of the 2010A and 2010B Bonds, to be redeemed shall be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each 2010A and 2010B Bond (or part thereof) to be redeemed at the address of the registered owner shown on the registration books, provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of 2010A and 2010B Bonds as to which there was not such failure or defect. Whenever any 2010A and 2010B Bond is called for redemption and payment as provided in the 2010A and 2010B Resolution, all interest on such 2010A and 2010B Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price specified in the 2010A and 2010B Resolution.

Sources and Uses of Funds

2010A Bonds

The sources and uses of funds are set forth below:

Sources of Funds:	
Par Amount of 2010A Bonds	$1,070,000.00
Total Sources of Funds	$1,070,000.00
Uses of Funds:	
Deposit to Project Construction Fund	$1,048,880.00
Costs of Issuance (including underwriters discount)	21,120.00
Total Uses of Funds	$1,070,000.00

2010B Bonds

The sources and uses of funds are set forth below:

Sources of Funds:	
Par Amount of 2010B Bonds	$12,635,000.00
Total Sources of Funds	$12,635,000.00
Uses of Funds:	
Deposit to Project Construction Fund	$11,457,814.67
Costs of Issuance (including underwriters discount)	252,160.00
Capitalized Interest Fund	925,025.33
Total Uses of Funds	$12,635,000.00

2010C Bonds

The sources and uses of funds are set forth below:

Sources of Funds:	
Par Amount of 2010C Bonds	$725,000.00
Total Sources of Funds	$725,000.00
Uses of Funds:	
Costs of Issuance (including underwriters discount)	$725,000.00
Total Uses of Funds	$725,000.00

DEBT SERVICE COVERAGE

Shown below is the estimated debt service coverage for the Bonds and debt service coverage based on Pledged Revenues, which are designated to pay back the debt service on the Bonds. See **Appendix D** for the Feasibility Report.

Levy Year	Bond Year Ending March 1,	Pledged Revenues (1)	Series 2006 Debt Service (2)	Series 2010A Debt Service (3)	Series 2010B Debt Service (3)	Series 2010C Debt Service	Total Debt Service (4)	Coverage
2010	2012	$ 2,424,585	$ 82,670	$ 113,372	$ 247,284	$ 121,458	$ 564,784	**4.29**
2011	2013	2,885,911	82,670	79,715	824,280	306,035	1,292,700	**2.23**
2012	2014	2,748,955	82,670	79,715	824,280	171,105	1,157,770	**2.37**
2013	2015	2,748,955	182,670	79,715	824,280	167,063	1,253,728	**2.19**
2014	2016	2,748,955	183,670	79,715	1,099,520	-	1,362,905	**2.02**
2015	2017	2,747,289	354,418	79,715	1,094,488	-	1,528,621	**1.80**
2016	2018	2,743,777	362,938	79,715	1,092,873	-	1,535,526	**1.79**
2017	2019	2,739,712	355,338	79,715	1,084,705	-	1,519,758	**1.80**
2018	2020	2,735,104	352,375	79,715	1,080,440	-	1,512,530	**1.81**
2019	2021	2,730,111	354,263	79,715	1,075,000	-	1,508,978	**1.81**
2020	2022	2,724,707	-	79,715	1,068,420	-	1,148,135	**2.37**
2021	2023	2,718,904	-	79,715	1,065,525	-	1,145,240	**2.37**
2022	2024	2,712,641	-	79,715	1,056,270	-	1,135,985	**2.39**
2023	2025	2,705,901	-	79,715	1,050,600	-	1,130,315	**2.39**
2024	2026	2,698,667	-	79,715	1,048,170	-	1,127,885	**2.39**
2025	2027	2,690,816	-	79,715	1,034,070	-	1,113,785	**2.42**
2026	2028	2,682,381	-	79,715	1,027,180	-	1,106,895	**2.42**
2027	2029	2,672,970	-	79,715	1,017,510	-	1,097,225	**2.44**
2028	2030	2,662,585	-	79,715	1,006,460	-	1,086,175	**2.45**
2029	2031	2,651,718	-	79,715	998,858	-	1,078,573	**2.46**
2030	2032	2,640,307	-	79,715	983,819	-	1,063,534	**2.48**
2031	2033	2,628,043	-	79,715	971,300	-	1,051,015	**2.50**
2032	2034	2,614,912	-	79,715	956,969	-	1,036,684	**2.52**
2033	2035	2,601,146	-	79,715	945,644	-	1,025,359	**2.54**
2034	2036	2,586,682	-	79,715	927,325	-	1,007,040	**2.57**
2035	2037	2,571,521	-	79,715	916,831	-	996,546	**2.58**
2036	2038	2,555,598	-	79,715	898,981	-	978,696	**2.61**
2037	2039	2,538,850	-	79,715	883,775	-	963,490	**2.64**
2038	2040	2,521,278	-	79,715	866,031	-	945,746	**2.67**
2039	2041	2,502,818	-	79,715	855,388	-	935,103	**2.68**
2040	2042	2,483,342	-	286,706	518,375	-	805,081	**3.08**
2041	2043	2,463,284	-	886,849	-	-	886,849	**2.78**

(1) Pledged Revenues compiled by Austin Meade Financial Ltd. Government Rebates, associated with the 2010A & 2010B Bonds, are calculated into the Pledged Revenues.

(2) General Obligation Bonds (ARS), Series 2006 use a portion of the Pledged Revenues as the Alternate Revenue Source for debt service.

(3) Debt Service calculated by adding principal & interest before associated Government Rebate.

(4) Total Debt Service for Levy Year 2010 includes application of the Capitalized Interest Fund, which along with the collection of 6 months worth of the voter-approved 1% Facility Sales Tax, will provides enough monies for the County to establish a Non-Naked Abatement in Levy Year 2010. Government Rebates that are distributed in Levy Year 2010, and every Levy Year thereafter, will roll into the following Levy Year's projected Total Pledged Revenues.

REGISTRATION, TRANSFER AND EXCHANGE

See also **Appendix A, "BOOK-ENTRY FORM"** for infomation on registration, transfer and exchange of book-entry bonds.

The County shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal corporate trust office of the Bond Registrar. The County will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the County for use in the transfer and exchange of Bonds.

For provisions applicable to the Bonds while they are in the Book-Entry System, see Appendix A. Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the County shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the County of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to exchange or transfer any Bond during the period beginning at the close of business on the fifteenth (15^{th}) day of the month next preceding any interest payment date to such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be make only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the County or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

ALTERNATE BONDS

Section 15 of the Debt Reform Act provides that whenever bonds payable from a revenue source has been duly authorized, a local government unit may issue its general obligation bonds payable from such revenue source, and such general obligation bonds may be referred to as "alternate bonds." The Debt Reform Act also provides that whenever there exists a revenue source, a local government unit may issue alternate bonds. Alternate bonds may be issued payable from either enterprise revenues or revenue sources or both. Such bonds are general obligation debt payable from the applicable pledged revenue source with the general obligation of the issuer acting as back-up security. The Debt Reform Act prescribes several conditions that must be met before alternate bonds may be issued.

First, alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, the alternate bonds must be authorized under applicable law. If payable from a revenue source that is limited in its purposes and applications, then alternate bonds may be issued only for such limited purposes or applications. The Bonds will be payable from three pledged revenue sources: Sales Taxes, Pledged Revenues and Pledged Taxes, which the Pledged Taxes are the only limited pledged revenue source due to the Property Tax Extension Limitation Law, which was voted into the County in 1997.

Second, the question of issuance, together with notice of intent to issue bonds, was published in a local newspaper on July 15, 2010. The question is to be submitted to referendum if, within thirty (30) days after publication of an authorizing ordinance and notice of intent to issue alternate bonds, a petition signed by at least 1,146 of the registered voters in the government unit is filed with the County Clerk. The County adopted an authorizing ordinance on July 6, 2010, for not to exceed 14,500,000 of general obligation alternate bonds payable from Sales Taxes, Pledged Revenues and Pledged Taxes. The ordinance, together with notice of intent to issue the Bonds, was published in a local newspaper, the Gazette-Democrat.

Third, the issuer must determine that the pledged revenue source or sources are sufficient in each year to provide no less than 1.25 times debt service of the alternate bonds. To the extent payable from revenue sources, as here, such revenue source shall have been determined by the governing body to be sufficient to provide for or pay in each year to final maturity of such alternate bonds all of the following: (1) debt service on all outstanding revenue bonds payable from such revenue sources, (2) the debt service on all outstanding revenue bonds payable from pledged revenue sources (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from such Sales Taxes (5) other contractual or tort liability obligations, if any, payable from such revenue sources, and (6) in each year, an amount not less than 1.25 times debt service of all (i) alternate bonds payable from such revenue source previously issued and outstanding and (ii) alternate bonds proposed to be issued (i.e. the Bonds). To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body to provide in each year an amount not less than 1.25 times debt service on all alternate bonds payable from such revenue sources previously issued and outstanding and the alternate bonds proposed to be issued.

Fourth, the issuer must in fact pledge and covenant, to the extent it is empowered to do so, to provide for, collect and apply the pledged revenue sources to the payment of the alternate bonds and the provision of not less than an additional 0.25 times debt service coverage. See "**DEBT SERVICE COVERAGE**" herein.

GENERAL COVENANTS

The County, per the Bond Ordinance and applicable law, covenants and agrees with the registered owners of the Outstanding Bonds, so long as there are any Outstanding Bonds (as defined herein), as follows:

(a) The County will take all action necessary either to impose, collect, apply or to maintain the right to receive and apply the Pledged Revenues and Pledged Taxes in the manner contemplated by the Bond Ordinance, and such Pledged Revenues shall not be less than as shall be required under Section 15 of the Local Government Debt Reform Act to maintain the Bonds as Alternate Bonds.

(b) The County covenants that it will, while any of the Bonds shall remain outstanding, apply sufficient Pledged Revenues to provide for or pay each of the following in any given year: (1) debt service on all Outstanding revenue Bonds payable from the Pledged Revenues; (2) all amounts required to meet any fund or account requirements with respect to the Bonds or any other bonds payable from such Pledged Revenues; (3) any other contractual or tort liability obligations, if any, payable from such Pledged Revenues; and (4) in each year, an amount not less than 1.25 times the debt service for all (i) Alternate Bonds payable from Pledged Revenues, including the Bonds Outstanding; and (ii) Alternate Bonds proposed to be issued and payable from Revenues. In the event such coverages are not maintained, the County shall engage a feasibility analyst or other similarly qualified financial consultant to evaluate the rate structure for the Project and to make an appropriate report with recommendations to achieve such coverages. A copy of such report shall be sent upon request to the Underwriter.

(c) The County will make and keep proper books and accounts (separate and apart from all other records and accounts of the County), in which complete entries shall be made of all transactions related to the Pledged Revenues, and in the Bond Ordinance covenants that within 180 days following the close of each Fiscal Year, it will cause the books and accounts related to the Revenues to be audited by independent certified public accountants. Such audit will be available for inspection by the registered owners of any of the Bonds. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein, shall, without limiting the generality of the foregoing, include the following:

   (ii) A balance sheet as of the end of such Fiscal Year, including a statement of the amount held in each of the accounts under this ordinance.
   (iii) The amount and details of all outstanding bonds.
   (iv) The accountant's comments regarding the manner in which the County has carried out the accounting requirements of the Bond Ordinance (including as to the Alternate Bond status of the Bonds) and has complied with Section 15 of the Local Government Debt Reform Act, and the accountant's recommendations for any changes.

(d) The County will keep its books and accounts in accordance with generally accepted fund reporting practices for local government entities and enterprise funds; provided, however, that the monthly credits to the Debt Service Account shall be in cash, and such funds shall be held separate and apart in cash investments. For the purpose of determining whether sufficient cash and investments are on deposit in such accounts under the terms and requirements of this ordinance, investments shall be valued at the lower of the cost or market price on the valuation date thereof, which valuation date shall be not less frequently than annually.

(e) Money to the credit of the Debt Service Account may be invested from time to time by the County's Treasurer in (i) interest-bearing bonds, notes, or other direct full faith and credit obligations of the United States of America, (ii) obligations unconditionally guaranteed as to both principal and interest by the United States of America, or (iii) certificates of deposit or time deposits of any bank or savings and loan association, as defined by Illinois laws, provided such bank or savings and loan association is insured by the Federal Deposit Insurance Corporation or a successor corporation to the Federal Deposit Insurance Corporation and provided further that the principal of such deposits are secured by a pledge of obligations as described in clauses (d) (i) and (d) (ii) above in the full principal amount of such deposits, or otherwise collateralized in such amount and in such manner as may be required by law. Such investments may be sold from time to time by the Treasurer of the County as funds may be needed for the purpose of which such Accounts have been created. Other investments shall be Qualified Investments in accordance with applicable law.

All interest on any funds so invested shall be credited to the applicable Account of the Fund and is hereby deemed and allocated as expended with the next expenditure or expenditures of money from the applicable Account of the Fund.

Moneys in any such accounts shall be invested by the County's Treasurer, if necessary, in investments restricted as to yield, which investments maybe in U.S. Treasury Securities – State and Local Government Series, if available and to such end the County's Treasurer shall refer to any investment restrictions covenanted by the County of any officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinion of the counsel.

(f) The County will take no action in relation to the Pledged Revenues or the Pledged Taxes which would unfavorably affect the security of any of the Outstanding Bonds or the prompt payment of the principal and interest thereon.

(g) The County will carry fidelity bonds on officers and employees as required by applicable law and will carry insurance on the Project facilities of the kinds and in the amounts which are usually carried by private parties operating similar properties, covering such risks as shall be recommended by a competent consulting engineer or insurance consultant employed by the County for the purpose of making such recommendations. All moneys received for any loss under such insurance policies shall be deposited in a separate subaccount of the Depreciation Account and used in making good the loss or damage in respect of which they were paid, either by repairing the property damaged or making replacement of the property destroyed, and provision for making good such loss or damage shall be made within ninety (90) days from the date of the loss.

The proceeds derived from any and all policies for workers' compensation or public liability shall be paid into a separate subaccount of the Operation and Maintenance Account and used in paying the claims on account of which they were received.

(h) The registered owner of any Bond may proceed by civil action to compel performance of all duties required by law, the Bond Ordinance and the Disclosure Agreement.

(i) The County will comply with the special covenants concerning Alternate Bonds as required by Section 15 of the Local Government Debt Reform Act the Bond Ordinance.

(j) After their issuance, the Bonds shall be incontestable by the County to the extent lawful.

FLOW OF FUNDS

Upon the issuance of any Bonds, the County shall continue to be operated as a County on a Fiscal Year basis (i.e. each December 1 to November 30). All the Pledged Revenues when received by the County Treasurer or other financial officer of the County receiving Revenues, subject to any prior lien or pledge, shall be set aside as and when received and shall be deposited in a separate fund and in an account in a bank to be designated or continued, as the case may be, by the Corporate Authorities, which fund is hereby continued ~~as created and established or, as applicable, continued, as the County's **"Bond Fund"** (the **"Fund"**), which shall constitute a trust fund for the sole purpose of carrying out the covenants, terms and conditions of the Bond Ordinance.~~

Commencing September 1, 2010, and on the first business day of every month thereafter, up to and including the final maturity of the Bonds, there shall be deposited, into the County's Revenue Fund (the "Revenue Fund") set up and maintained for the County by the Paying Agent pursuant to the Paying Agent and Custodial Agreement entered into as of September 1, 2010 between the County and the Paying Agent, an amount equal to the monthly receipt of the Escrowed Pledged Revenues. There shall be transferred to the County's Bond Fund (the "Bond Fund") a fractional amount (not less that 1/6) of the interest becoming due on the next succeeding interest payment date on all Outstanding Bonds (net of any Internal Revenue Service payments anticipated to be made with respect to such interest payment) and also a fractional amount (not less that 1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal maturity date of all of the Outstanding Bonds (collectively, the "Monthly Escrow Requirement"). Escrowed Pledged Revenues in excess of the amount necessary to satisfy the Monthly Escrow Requirement shall be transferred to the County to be used for general County purposes, provided that any excess amounts received attributable to the 1% County-wide sales tax shall be transferred to the "Facility Sales Tax Account" and shall be retained throughout the life of the Bonds for the purposes of covering any future shortfall in satisfying the Monthly Escrow Requirement.

In computing the fractional amount to be set aside each month in the Bond Fund, the fraction shall be computed so that a sufficient amount of Pledged Revenues or other funds legally available of the County will be set aside in such Bond Fund and will be available for the prompt payment of such principal of an interest on all Outstanding Bonds and shall be not less than one-sixth (1/6) of the interest becoming due on the next succeeding interest payment date and not less than one-twelfth (1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal payment date on all outstanding Bonds until there is sufficient money in such Bond Fund to pay such principal or interest, or both.

Credits into such Bond Fund may be suspended in any Bond Year at such time as there shall be sufficient sum held in cash and investments in such Account to meet principal and interest requirements in such Account for the balance of such Bond Year, but such credits shall again be resumed at the beginning of the next Bond Year. All moneys in such Bond Fund shall be used only for the purpose of paying interest and principal and applicable premium on Outstanding Bonds.

ISSUANCE OF ADDITIONAL BONDS

Expect as otherwise expressly provided the Bond Ordinance, the County reserves the right to issue:

(a) Parity Bonds without limit provided that Pledged Revenues as determined as herein below set out shall be sufficient to provide for or pay all of the following: (i) debt service on all Outstanding bonds payable from Revenues computed immediately after the issuance of any proposed Parity Bonds, (ii) all amounts required to meet any fund or account requirements with respect to such Outstanding bonds, (iii) other contractual or tort liability obligations then due and payable, if any, and (iv) an additional amount not less than 0.25 times debt service on such of the Alternate Bonds as shall remain Outstanding bonds after the issuance of the proposed Parity Bonds. Such sufficiency shall be calculated for each year to the final maturity of such Alternate Bonds which shall remain Outstanding after the issuance of the proposed Parity Bonds. The determination of the sufficiency of Revenues shall be supported by reference to the most recent audit, or report prepared by nationally recognized feasibility consultant of the County, which audit, shall be for a Fiscal Year ending not earlier than eighteen (18) months previous to the time of issuance of the proposed Parity Bonds. The County may, from time to time, issue Junior Bonds, that share the Pledged Revenues used for the "Bonds."

    If such audit shows the Pledged Revenues to be insufficient, then the determination of sufficiency may be made the following way:

    The determination of sufficiency of the Pledged Revenues may be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, demonstrating the sufficiency of the Pledged Revenues and explaining by what means they will be greater than as shown in the audit.

    The reference to and acceptance of an audit, an adjusted statement of the Pledged Revenues, or a report, as the case may be, and the determination of the Corporate Authorities of the sufficiency of the Pledged Revenues shall be conclusive evidence that the conditions have been met and that the Parity Bonds are properly issued hereunder; and no right to challenge such determination is granted to the registered owners of the Bonds.

(b) Bonds or other obligations payable from Pledged Revenues subordinate to the lien of any Senior Bonds or Junior Bonds, which remain Outstanding after the issuance of such bonds or other obligations.

The above parity provisions are in the Bond Ordinance and apply to the Bonds. The Bonds comply with such parity provisions.

CERTAIN RISK FACTORS

The ability of the County to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the County. Not withholding the failure to receive Pledged Revenues, the Bonds are secured by the County's full faith and credit. In the event the Pledged Revenues are insufficient to make payments on the Bonds the County would be obligated to make such payment from any legally available funds of the County from a levy of Pledged Taxes as described herein. To the extent that timely deposits of Pledged Revenues may be insufficient to pay the Bonds, the Bonds are to be paid from the Pledged Taxes. If the Pledged Revenues are insufficient for the payment of the Bonds and other account deposits and the Pledged Taxes actually extended, the amount of the Bonds then outstanding will be included in the computation of indebtedness of the County for purposes of all statutory provisions or limitations until such time as an audit of the County shows that the required 1.25 debt service coverage on the Bonds was available from the Pledged Revenues for a complete fiscal year.

SALES TAX/REVENUE SHARING RECEIPTS PLEDGE

For the purpose of providing Pledged Revenues in each year sufficient to pay debt service of all Outstanding Bonds for such year and the provision of not less than an additional 0.25 times such debt service on such Outstanding Bonds, all in accordance with Section 15 of the Debt Reform Act, the County hereby pledges and dedicates the Pledged Revenues. Prior to the deadline for the timely annual abatement of the Pledged Taxes for the Alternate Bonds, the County Treasurer shall deposit, as applicable, Pledged Revenues into the Pledged Revenues Account of the Bond Fund in an amount necessary to provide, after deducting the amount of Enterprise Revenues projected to be received during the period in connection with the levy of Pledged Taxes in respect to the Alternate Bonds, for the payment of 1.25 times interest and principal coming due on the Alternate Bonds otherwise payable from the proceeds of such tax levy. Upon (but in no event prior to) the deposit of such moneys, the Corporate Authorities or the officers of the County acting with proper authority shall direct the abatement of such levy of Pledged Taxes as provided in the Bond Ordinance to the extent of such a deposit and not in excess. Any amounts of Pledged Revenues credited to the Pledged Revenues Account of the Bond Fund in excess of the then current requirements therefore may be withdrawn by the County Treasurer at any time and applied to any such other account or fund of the County as may be authorized by the Corporate Authorities.

COUNTY INFORMATION

The County of Union is located in southern Illinois, approximately 145 miles southeast of Saint Louis, Missouri and 350 miles south of the City of Chicago. Union County is primarily rural. The County encompasses a land area of approximately 416 square miles. The County has an economic base that includes government, farming, retail trade and service industries. The City of Jonesboro is the County Seat and the City of Anna is the largest municipality in the County.

The County is intersected by Interstate Highways 57, United States Route127, and Illinois State Route 51 all of which provide north and south access. Interstate Highway 57 connects with Chicago approximately 350 miles northeast of the County. Illinois State Route 146 provides east and west access.

Air transportation is provided by Williamson County Regional Airport, approximately 20 miles for most County residents. The Williamson County Regional Airport is a public airport having 24-hour/7-day weekly line service from two commercial carriers. The longest runway is 6,500 feet.

Government

The County is governed by a three (3) member Board of Commissioners (the "County Board"), whose members are elected for six year staggered terms. The County Chairman is elected by the County Board members and is the Presiding Officer of the County Board. Elected County officials include the County Clerk and Recorder, Treasurer and Collector, State's Attorney, Circuit Clerk, Circuit Judges, Coroner, Sheriff and the Regional Superintendent of Education.

SOCIO-ECONOMIC INFORMATION

Population Trend

	1990	2000	2008
The County of Union	**17,619**	**18,293**	**18,005**
City of Anna	4,805	5,136	4,942
City of Jonesboro	1,728	1,853	1,783
State of Illinois	11,430,602	12,419,293	12,910,409

Median Home Value

	1990	2000	2008
The County of Union	**$36,700**	**$ 59,900**	**$104,943**
~~City of Anna~~	~~37,700~~	~~57,300~~	~~93,000~~
~~City of Jonesboro~~	~~36,600~~	~~54,400~~	~~84,075~~
State of Illinois	80,900	130,800	214,900

Median Family Income

	1990	2000	2008
The County of Union	**$ 24,875**	**$ 37,710**	**$37,410**
City of Anna	21,550	30,912	29,346
City of Jonesboro	24,932	40,066	36,294
State of Illinois	38,664	55,545	56,230

Source: U.S. Bureau of the Census

Average Annual Unemployment Rates

Year	State of Illinois	The County of Union
2005	5.8%	7.1%
2006	4.6	6.2
2007	5.1	7.2
2008	6.5	8.8
2009	11.0	11.1

Source: Illinois Department of Employment Security.

Largest Area Employers

Employer	Service or Product	Approximate Number of Employees
Illinois Dept. of Human Resources	Psychiatric Hospital	660
Ensign-Bickford Industries	Manufactures Explosives	250
Anna Hospital Co.	Hospital	231
Wal-Mart Stores, Inc.	Department Store Retailer	200
Shawnee C.U.S.D. 84	Educational Services	104
Kroger Co.	Retailer - Groceries	100
Anna C.C.S.D. 37	Elementary/Secondary School	90
Cobden C.U.S.D.	Elementary/Secondary School	81
Mulberry Manor Inc.	Nursing Home	71
J.R. Centre Inc.	Developmental Disabilities	70

Source: 2008 Illinois Services Directory and Illinois Manufacturers Directory.

Top 10 Largest Taxpayers

Name	County	E.A.V.	% of County's 2009 E.A.V.
Anna-Joneboro National Bank	Union	$ 2,158,470	1.246%
Wal-Mart Super Center	Union	1,446,540	0.835%
TE PDTS, Pipeline Co. LTD.	Union	1,360,160	0.785%
The Willow	Union	883,530	0.510%
Anna State Bank	Union	732,990	0.423%
Texas Eastern Corp.	Union	731,210	0.422%
Bank of Belleville	Union	667,820	0.386%
Flamm Enterprises	Union	664,840	0.384%
Jim & Joan Keller	Union	596,650	0.344%
Anna Quarries	Union	362,900	0.210%
TOTAL		$ 9,605,110	5.546%

DEBT INFORMATION

As a non-home rule County, the County's statutory debt limit is 5.750% of the total equalized assessed valuation of all taxable property located within the County.

Legal Debt Margin
(As of September 21, 2010)

2009 Equalized Assessed Valuation (E.A.V.)	$ 173,199,262
Statutory Debt Limit (5.750% of E.A.V.)	$ 9,958,958
General Obligation Debt:	
General Obligation Bonds, Series 2002 (1)	$ 970,000
General Obligation Bonds (ARS), Series 2006(2)	$ 1,740,000
Taxable General Obligation Bonds (ARS), Series 2010A (RZEDB (DP)) (The 2010A Bonds)(3)	$ 1,070,000
Taxable General Obligation Bonds (ARS), Series 2010B (BAB (DP)) (The 2010B Bonds)(3)	$ 12,635,000
Taxable General Obligation Bonds (ARS), Series 2010C (The 2010C Bonds)(3)	$ 725,000
Total General Obligation Debt	$ 17,140,000
Less: Self-Insurance Debt (1)	$ (970,000)
Self-Supporting Debt(3)	$ (14,430,000)
Total Net Direct Debt	$ 1,740,000
Available Legal Debt Margin	**$ 8,218,958**

(1) Under applicable law, Self-Insurance Bonds do not count against the County's debt limit.

(2) The County has chosen to extend the ad valorem tax for the 2006 Bonds that were issued as alternate revenue source bonds. This has caused the 2006 outstanding principal amount to be counted against the County's legal debt margin.

(3) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds such as the Bonds, do not count against the County's overall 5.750% of E.A.V. statutory debt limitation unless the County fails to abate the property tax levies made for the payment therein.

Source: The office of the County Clerk of the County of Union, Illinois and the County's Audited Financial Statement 2009.

Detailed Overlapping Bonded Debt
(As of September 21, 2010)

Taxing Body	Outstanding Debt	Estimated Portion Applicable to County Percent	Estimated Portion Applicable to County Amount
Anna CCSD #37	$345,000	100.00%	$345,000
Cobden CUSD #17	$3,005,000	99.00%	$2,974,950
Dongola CUSD #66	$500,000	100.00%	$500,000
Anna-Jonesboro CHSD #81	$1,275,000	99.98%	$1,274,745
Jonesboro CCSD #43	$1,105,000	99.92%	$1,104,116
Shawnee CUSD #84	$1,145,000	42.58%	$487,541
Vienna H.S. Dist #13-3	$1,313,000	3.00%	$39,390
Shawnee Comm. College #531	$7,315,000	31.60%	$2,311,540
Goreville CUSD #1	$5,560,000	1.60%	$88,960
Lick Creek CCSD #16	$111,595	100.00%	$111,595
Total Overlapping Debt			$9,237,837

Source: The office of the County Clerk of the County of Union, Illinois and the County's Audited Financial Statement 2009.

Statement of Long-Term Bonded Indebtedness
(As of September 21, 2010)

	Amount Applicable	Per Capita (2008 Pop. est.18,191)	Percent of Equalized Assessed Valuation	Estimated True Value
Equalized Assessed Valuation, 2009	$ 173,199,262	$ 9,521	100.00%	33.33%
Estimated True Value, 2009	$ 519,597,786	$ 28,563	300.00%	100.00%
Direct General Obligation Debt (including this issue)	$ 17,140,000	$ 942	9.90%	3.30%
Less: Self-Supporting Debt (1) (2)	$ (15,400,000)	$ (847)	(8.89%)	(2.96%)
Total Net Direct General Obligation Debt(3)	$ 1,740,000	$ 96	1.01%	0.34%
Total Overlapping Bonded Debt	$ 9,237,837	$ 508	5.33%	1.78%
Total Direct & Overlapping Debt	$ 10,997,837	$ 605	6.34%	2.12%

(1) Under applicable law, Self-Insurance Bonds do not count against the County's debt limit.

(2) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds such as the Bonds, do not count against the County's overall 5.750% of E.A.V. statutory debt limitation unless the County fails to abate the property tax levies made for the payment therein.

(3) The County has chosen to extend the ad valorem tax for the 2006 Bonds that were issued as alternate revenue source bonds. This has caused the 2006 outstanding principal amount to be counted against the County's legal debt margin.

Source: The office of the County Clerk of the County of Union, Illinois and the County's Audited Financial Statement 2009.

HISTORY OF DEBT REPAYMENT

The County has always promptly paid principal and interest on its debt obligations when due.

EQUALIZED ASSESSED VALUATION

Equalized Assessed Valuation (EAV) is estimated at 33-1/3% of fair market value.

Equalized Assessed Valuation

Levy Year	EAV	% of Growth
2005	134,630,114	--
2006	143,655,581	6.70%
2007	155,841,871	8.48%
2008	163,258,041	4.76%
2009	173,199,262	6.09%

Source: The office of the County Clerk of the County of Union, Illinois.
Notes: Does not include TIF values.

HISTORICAL TAX COLLECTIONS

Historical Income Tax Receipts		Historical Sales Tax Receipts	
Year	Amount	Year	Amount
2005	$ 672,131	2005	$ 474,027
2006	753,273	2006	552,194
2007	707,486	2007	515,861
2008	871,664	2008	505,181
2009	770,473	2009	485,859

Source: 2005 through 2009 Audited Financial Reports of the County of Union, Illinois.
Notes: The County of Union, Illinois's share of Income Tax Revenue and Sales Tax Revenue.
Does not include TIF values.

PROPERTY ASSESSMENT AND TAX INFORMATION

Illinois Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Limitation Law"), effective in 1997 for The County of Union, limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units. In general, growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year proceeding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. The Limitation Law applies to the County.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, unlimited ad valorem tax general obligation bonds, notes or installment contracts cannot be issued by a taxing district (except home rule unites) unless the obligations first are approved at a direct referendum or are for certain refunding purposes.

The Limitation Law excludes bonds, known as "alternate bonds" issue pursuant to Section 15 of the Debt Reform Act from the direct referendum requirements of the Limitation Law.

Property Tax Assessment, Levy and Collection Procedures

The following is a summary of general property tax assessment, levy and collection procedures in The County of Union, Illinois.

Assessment

The County Assessor is responsible for the assessment of all taxable real property within the township except for certain railroad property and certified pollution control facilities, which are assessed directly by the State. Real property is reassessed every fourth year. After the County Assessors establish the fair market value of a parcel of land, that value, as revised by the County Assessor, is multiplied by 33-1/3% to arrive at the assessed valuation ("Assessed Valuation") for that parcel. Each County Assessor and the County Assessor may revise the Assessed Valuation pursuant to requests of taxpayers. Taxpayers can also formally petition for review of their assessments by the County of Union, Illinois Board of Review. In addition, limited judicial review of assessments is available during the tax collection process, when the The County of Union, Illinois Collector presents the Warrant Books (defined below) to the Circuit Court for judgment, or by appeal to the State Property Tax Appeal Board.

Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year and County multipliers have been established, and following the County of Union, Illinois Board of Review revisions, the Illinois Department of Revenue (the "Revenue Department") is required by statue to review the Assessed Valuations. The Revenue Department establishes an equalization factor (commonly called the "multiplier") for each county, to make all valuations uniform among the 102 counties in the State. For real property in the County, assessments are equalized at 33-1/3% of estimated fair market value.

Once the equalization factor is established, the Assessed Valuations determined by the assessors, as revised by the County Board of Review, are multiplied by the equalization factor to determine the Equalized Assessed Valuations. The Equalized Assessed Valuations are the final property valuations used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in the County, including the valuation of certain railroad property and certified pollution control facilities assessed directly by the State and the valuation of farms assessed under the direction of the State, constitutes the total real estate tax base for the County, and is the value utilized to calculate tax rates.

Illinois Equalized Assessed Valuation Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("*EAV*") of certain property owned and used for residential purposes ("*Residential Property*") may be reduced by up to $5,000 for assessment years 2004 through 2007 in all counties. Additionally, the maximum reduction is $5,500 for assessment year 2008 and the maximum reduction is $6,000 for assessment year 2009 and thereafter in all counties.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("*Senior Citizens Homestead Exemption*") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by $2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is $3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is $3,500 in all counties. In addition, for assessment year 2008 and thereafter, the maximum reduction is $4,000 for all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("*Senior Citizens Assessment Freeze Homestead Exemption*") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 from assessment years 2006 and 2007 and for assessment year 2008 and after, the maximum income limitation is $55,000. In general, the exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. For those counties with less than 3,000,000, the exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption. For assessment year 2006, the amount of the exemption phases out as the amount of household income increases. The amount of the exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to $70,000 of the EAV of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("*Disabled Persons' Homestead Exemption*") or the Disabled Veterans Standard Homestead Exemption ("*Disabled Veterans Standard Homestead Exemption*") cannot claim the aforementioned exemption. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("*Returning Veterans' Homestead Exemption*") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Tax Levy

As part of the annual budget process of the County, an ordinance is adopted by the County Board each year in which it determines to levy real estate taxes. This tax levy ordinance imposes real estate taxes in terms of a dollar amount. The County certifies its real estate tax levy, as established by ordinance, to the County Clerk's Office. The remaining administration and collection of the real estate taxes are statutorily assigned to the County of Union, Illinois Clerk (the "County Clerk") and the County of Union, Illinois Treasurer (the "County Treasurer") who also serves as the County of Union, Illinois Collector (the "County Collector"). After the County files its annual tax levy, the County Clerk computes the annual tax rate for the County. This computation is made by dividing the County levy by its Equalized Assessed Valuation. Starting with tax extensions in 1992, the County Clerk calculates a limiting rate for the County in accordance with the Property Tax Limitation Law. The limiting rate is the mechanism for implementing the tax extension limitation or cap of 5% or the percentage increase in the Consumer Price Index, whichever is less, or the amount approved by referendum, on the amount of taxes to be collected by the County. Once calculated, the limiting rate is compared with the sum of the tax rates of the County's funds, which are subject to the aforementioned limitation. If the sum of the tax rates exceeds the limiting rate, an adjustment must be made. The County Clerk will not extend a levy using an aggregate tax rate greater than the limiting rate.

Once the necessary adjustments to the tax rates are made, the County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the taxing units having jurisdiction over that particular parcel. The County Clerk enters the tax determined by multiplying that total tax rate by the Equalized Assessed Valuation of the parcel in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. These books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collection

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to the County its share of the collections. Taxes levied in one calendar year become payable during the following calendar year in two equal installments, the first on the later of June 1 or 30 days after the mailing of the tax bills and the second on the later of September 1 or 60 days after such mailing. During the peak collection months of June and September, tax receipts are forwarded to the County on a semi-monthly basis. At other times, they are distributed on or about the first of the month.

At the end of each calendar year, the County Collector presents the Warrant Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% (1% for agricultural property) per month from their due date until the date of sale. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within specified time periods based on the type of real estate involved, the tax buyer can receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

TRUTH IN TAXATION

On July 29,1981, legislation known as the Truth in Taxation Act became effective, which requires additional procedures in connection with the annual levying of property taxes. Notice in the prescribed form must be published if the aggregate annual levy by a taxing body is estimated to exceed 105% of its levy for the preceding year, exclusive of the election costs and debt service. A public hearing must also be held, which may not be in conjunction with the budget hearing of the taxing body. No amount in excess of 105% of the preceding year's levy may be extended for a taxing body unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require disclosure of a levy in excess of specified levels. However, the legislation does not impose any limitation on the rate or amount of the levies of taxes extended to pay principal of or interest on the Bonds.

Tax Extensions and Collections

Tax Levy Year	Extension	Collection	Percent Collected
2005	$ 1,619,858	$ 1,617,605	99.86%
2006	1,792,712	1,780,628	99.33%
2007	1,868,349	1,863,730	99.75%
2008	1,944,566	1,941,070	99.82%
2009	1,981,021	-	-

Notes: The County of Union, Illinois has not collected its Tax Levy Year 2009 extensions.
Source: The County of Union, Illinois Clerk's and Treasurer's Offices.

Representative Tax Rates
(Per $100 of Equalized Assessed Valuation)

County Rates:

Fund	2005	2006	2007	2008	2009
Corporate	$ 0.26740	$ 0.26104	$ 0.24700	$ 0.26000	$ 0.27000
County Highway	0.06143	0.06359	0.06200	0.05860	0.05598
County Bridges	0.03581	0.03787	0.03838	0.03627	0.03563
Federal Aid Matching	0.03581	0.03787	0.03838	0.03627	0.03563
Hardroad	0.03581	0.03787	0.03838	0.03627	0.03563
I.M.R.F.	0.47167	0.44993	0.43100	0.41640	0.35644
TB Sanitarium	0.00747	0.00771	0.00709	0.00670	0.00611
General Assistance	0.00342	0.00321	0.00295	0.00279	0.00255
Bond & Interest	0.13454	0.18744	0.17274	0.16328	0.15391
Liability Insurance	0.14983	0.16139	0.16095	0.17452	0.17160
Senior Citizens	-	-	-	-	0.02030
TOTALS	$ 1.20319	$ 1.24792	$ 1.19887	$ 1.19110	$ 1.14378

Representative Rates:

Taxing Body	2005	2006	2007	2008	2009
County Tax	$ 1.20319	$ 1.24792	$ 1.19887	$ 1.19110	$ 1.14378
County Hosp. & Bond	-	-	-	-	-
Southern 7 Health	0.03714	0.03480	0.03209	0.03063	0.02950
Co-op. Extension	0.02098	0.02065	0.01960	0.02662	0.02457
County Ambulance	0.21497	0.21332	0.20534	0.19601	0.18877
Jonesboro District	2.40688	2.82914	2.48869	2.60274	2.55375
Anna-Jonesboro Comm. High School	1.72939	1.67533	1.60152	1.58894	1.57509
Shawnee Comm. College	0.45608	0.67128	0.69315	0.66308	0.67217
Jonesboro District	0.56714	0.54275	0.52225	0.52645	0.50898
Road & Bridge	0.04085	0.04054	0.03923	0.03955	0.03809
Roads in Village	0.06959	0.06828	0.06568	0.06621	0.06438
Jonesboro Road	0.06638	0.06353	0.06113	0.06162	0.05958
TOTALS	$ 6.81259	$ 7.40754	$ 6.92755	$ 6.99295	$ 6.85866

Source: The County of Union, Illinois Clerk's Office.

FINANCIAL INFORMATION
GENERAL FUND SUMMARY
INCOME STATEMENT – CASH BASIS
For the Years Ended November 30,

	2005	2006	2007	2008	2009
Receipts/Revenues					
Public Safety Tax	$ -	$ -	$ -	$ -	$ -
Property & Replacement Taxes	613,280	557,980	314,929	598,059	971,116
County Share of Illinois Income Tax	672,131	753,273	707,486	871,664	770,473
County Share of Sales Tax	474,027	552,194	515,861	505,181	485,859
Intergovernmental Revenue	-	-	-	-	-
Salary Reimbursements	207,064	173,697	217,082	178,642	275,867
Service Fees, Fines, Licenses & Commisions	880,108	817,864	871,828	879,335	837,928
Interest Income	7,616	13,886	16,209	14,833	8,431
Equipment Rental	-	-	-	-	-
Motor Fuel Tax Allotments	-	-	-	-	-
Grants & Entitlements	-	-	-	-	-
Other Receipts & Reimbursements	54,797	95,666	97,508	56,914	183,486
Total Receipts/Revenues	$2,909,023	$2,964,560	$2,740,903	$3,104,628	$3,533,160
Disbursements/Expenditures					
Current:					
General Government	$ 613,860	$ 704,174	$ 766,015	$ 830,790	$ 859,432
Public Safety	861,328	950,810	928,726	1,088,283	1,117,924
Corrections	93,320	96,190	101,000	98,729	121,955
Judiciary & Legal	599,671	649,523	638,598	695,549	705,495
Highways & Streets	-	-	-	-	-
Health & Welfare	226,759	262,676	1,907,903	245,186	296,101
Other Expenditures & Reimbursements	188,854	95,203	146,666	140,933	86,859
Total Disbursements/Expenditures	$ 2,583,792	$ 2,758,576	$ 4,488,908	$ 3,099,470	$ 3,187,766
Excess (Deficiency) of Revenues over Expenditures	$ 325,231	$ 205,984	$(1,748,005)	$ 5,158	$ 345,394
Other Financing Sources (Uses):					
Proceeds from Self-Insurance Bonds	$ -	$ -	$ 1,700,000	$ -	$ -
Transfers In	-	-	-	-	-
Transfers Out	(39,243)	(32,160)	(35,224)	(36,724)	(31,800)
Total Other Financing Sources (Uses):	$ (39,243)	$ (32,160)	$ 1,664,776	$ (36,724)	$ (31,800)
Net Change In Fund Balances	$ 285,988	$ 173,824	$ (83,229)	$ (31,566)	$ 313,594
Fund Balances - Beginning of Year	$ (967,565)	$ (681,577)	$ (507,753)	$ (590,982)	$ (622,548)
Fund Balances - End of Year	**$ (681,577)**	**$ (507,753)**	**$ (590,982)**	**$ (622,548)**	**$ (308,954)**

Source: The County's Audited Financial Statements from 2005 – 2009. See Appendix B for a copy of the County's 2009 Audited Financial Statement.

FINANCIAL INFORMATION
GENERAL FUND SUMMARY
BALANCE SHEET – CASH BASIS
For the Years Ended November 30,

	2005	2006	2007	2008	2009
ASSETS					
Cash & Cash Equivalents	$ 310,143	$ 353,967	$ 165,834	$ 31,242	$ 194,046
Stamps on Hand	3,280	3,280	8,184	11,210	12,000
Loans Receivable	-	-	-	-	-
Due from other Funds	-	-	-	-	-
TOTAL ASSETS	$ 313,423	$ 357,247	$ 174,018	$ 42,452	$ 206,046
LIABILITIES & FUND BALANCE					
Liabilities:					
Due to other Funds	$ 995,000	$ 865,000	$ 765,000	$ 665,000	$ 515,000
TOTAL LIABILITIES	$ 995,000	$ 865,000	$ 765,000	$ 665,000	$ 515,000
Fund Balances:					
Reserved for Inventory	$ 3,280	$ 3,280	$ 8,184	$ 11,210	$ 12,000
Reserved for Grant Fund	-	-	-	-	-
Reserved for Reolving Loan Fund	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved for Debt Service In:					
General Fund	(684,857)	(511,033)	(599,166)	(633,758)	(320,954)
Special Revenue Funds	-	-	-	-	-
TOTAL FUND BALANCES	$ (681,577)	$ (507,753)	$ (590,982)	$ (622,548)	$ (308,954)
TOTAL LIABILITIES & FUND BALANCE	**$ 313,423**	**$ 357,247**	**$ 174,018**	**$ 42,452**	**$ 206,046**

Source: The County's Audited Financial Statements from 2005 – 2009. See Appendix B for a copy of the County's 2009 Audited Financial Statement.

RETIREMENT FUND COMMITMENTS

Note H of the County's November 30, 2009, Audited Financial Statements summarizes the retirement commitments in full detail.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel. In its capacity as Bond Counsel, Ice Miller LLP, has reviewed the information under the portions of this Final Official Statement captioned "**THE BONDS**", and "**TAX MATTERS**." Bond Counsel accordingly expresses no opinion as to the accuracy or sufficiency of other portions of this Final Official Statement, relating but not limited to the financial statements contained herein.

NO LITIGATION CERTIFICATE

Simultaneously with the delivery of the Bonds, the County will furnish to the Underwriter a certificate which shall state, among other things, that there is no controversy, suit or other proceeding of any kind pending or to its knowledge, threatened in any court (either State or Federal) restraining or enjoining the issuance or delivery of the Bonds or questioning (i) the proceedings under which the Bonds are to be issued, (ii) the validity of the Bonds, (iii) the pledge of the County of the moneys under the Bond Ordinance to pay the Bonds or (iv) the legal existence of the County or the title to office of the present officials of the County.

TAX MATTERS

Interest on the Bonds is not excludable from gross income for federal income tax purposes. Owners of the Bonds should consult their tax advisors with respect to the inclusion of interest on the Bonds in gross income for federal income tax purposes.

Interest on the Bonds is not exempt from present Illinois income taxes. Ownership of the Bonds may result in other federal, state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such federal, state and local tax consequences.

If the Bonds are purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased the Bonds with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when the Bonds are disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bonds. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase the Bonds at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bonds in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bonds. Investors who purchase Bonds at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early redemption of the Bonds.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters applicable to the Bonds referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing obligations (which would apply to the Bonds) to determine whether, in the view of the Service, the Bonds are in compliance with the Code. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the District as the taxpayer and the owners of the Bonds may have no right to participate in such procedure. Although such an audit affects the District's receipt of interest payments by the U.S. Treasury, the commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

The issue price (the *"Issue Price"*) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

The Initial public offering price of a maturity of the Bonds may be less than the principal amount payable at maturity (such 2010A, 2010B and 2010C Bonds may be referred to as "2010A, 2010B and 2010C OID Bonds"). The difference between the Issue Price (defined below) of any such maturity of the Bonds and the principal amount payable at maturity is original issue discount. The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of each maturity of the Bonds is expected to be either the dollar price or the amount corresponding to the yield set forth on the cover page hereof, but is subject to change based on actual sales.

If a the Bonds issued with the original issue discount are purchased at any time for a price that is less than the the Bond's Issue Price, plus accreted original issued discount in the case of the Bonds (the "Revised Issue Price"), the purchaser will be treated as having purchased such Bonds with market discount subject to the market discount rules of the Code (unless a statutory de minimus rule applies). Such treatment would apply to any purchaser who purchases such Bonds for a price that is less than its Revised Issue Price.

Owners of the Bonds who dispose of such Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase the Bonds subsequent to the initial public offering should consult their own tax advisors. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of the Bonds issued with original discount should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such Bonds.

Payments of interest on, and proceeds of the sale, redemption or maturity of, certain obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Ownership of the Bonds may result in other federal, state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers and owners of the Bonds should consult their tax advisors regarding the applicability of any such federal, state and local tax consequences.

RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS

The 2010A Bonds are Recovery Zone Economic Development Bonds (Direct Payment to Issuer), a form of Build America Bonds. The 2010B Build America Bonds (Direct Payment to Issuer), a form of Build America Bonds.

General Description

The American Recovery and Reinvestment Act of 2009 (enacted February 17, 2009) ("**ARRA**"), added sections 54AA, 1400U-2 and 6431 to the Internal Revenue Code of 1986 as amended (the "**Code**"), which authorize certain local governments, at their option, to issue Recovery Zone Economic Development Bonds (Direct Payment). These bonds are taxable, treated as "**qualified bonds**" for purposes of section 6431 of the Code, and have a deeper refundable credit subsidy (45%) than Build America Bonds (Direct Payment) (35%) of the total coupon interest payable to investors on these taxable bonds.

IRS Notice 2009-50 (June 12, 2009) provides guidance regarding the maximum face amount of recovery zone economic development bonds (**"Recovery Zone Economic Development Bonds"**) that may be issued by certain counties and large municipalities (over 50,000 population). Recovery Zone Bonds may be issued before January 1, 2011. The County of Union, Illinois (the "County") has the authorization to issue up to $1,071,000 of Recovery Zone Economic Development Bonds (Direct Payment), with respect to which the County has authorized The County of Union, Illinois to issue up to $1,071,000 of Bonds on behalf of the County for the Project.

Recovery Zone

In general, Recovery Zone Economic Development Bonds can finance certain **"qualified economic development purposes"** generally for use within designated **"recovery zones."** The term **"recovery zone"** means **(1)** any area designated by a qualifying county or municipality as having significant poverty, unemployment, rate of home foreclosures, or general distress; **(2)** or realignment off a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and **(3)** any area for which a designation as an empowerment zone or renewal community is in effect as of February 17, 2009, the effective date of ARRA. The County has designated the entire County of Union, Illinois as a recovery zone. The Project is in The County of Union, Illinois.

Recovery Zone Economic Development Bonds

Section 1400U-2(a) of the Code provides that a Recovery Zone Economic Development Bond shall be treated as a **"qualified bond"** for purposes of section 6431 (relating to the refundable credit for qualified bonds allowed and payable to the issuer in the case of Build America Bonds (Direct Payment)), and further provides that the amount of the refundable credit shall be 45 percent **(45%)** of the coupon interest payable on the bonds rather than 35 percent of such interest as is the case with typical Build America Bonds (Direct Payment).

The term **"Recovery Zone Economic Development Bond"** means any bond that is issued as part of an issue that meets the following requirements: **(1)** the bond is a Build America Bond (as defined in § 54AA(d) of the Code); **(2)** the bond is issued before January 1, 2011; **(3)** 100 percent **(100%)** of the excess of **(i)** the available project proceeds (as defined in § 54A to mean sale proceeds of such issue less not more than 2 percent **(2%)** of such proceeds used to pay issuance costs, plus investment proceeds thereon), over **(ii)** the amounts in a reasonably required reserve (within the meaning of § 150(a)(3) of the Code) with respect to such issue, are to be used for one or more qualified economic development purposes, and **(4)** the qualifying county or municipality designates such bonds for authorized purposes. On behalf of the County the County has so designated the Bonds.

Qualified Purposes

The term **"Qualified economic development purpose"** means any expenditures for purposes of promoting development or other economic activity in a recovery zone, including **(1)** capital expenditures paid or incurred with respect to property located in the recovery zone, **(2)** expenditures for public infrastructure and construction of public facilities, and **(3)** expenditures for job training and educational programs. This includes capital expenditures and working capital expenditures to promote development or other economic activity in a recovery zone. The Project qualifies under **(2)** above.
In all events, the eligible costs for **qualified economic development purposes** financed with the proceeds of an issue of Recovery Zone Economic Development Bonds must relate to any such purpose or property that is located within, or attributable to, both the jurisdiction of the issuer of the bonds and the jurisdiction of the entity authorized to allocate volume cap to an issue of bonds for the financing of such purpose or property.

The 2010A Bonds as Qualified Build America Bonds/Recovery Zone Economic Development Bonds

The County, on behalf of the County, has made an irrevocable election to treat the 2010A Bonds as Qualified Build America Bonds, which are designated as Recovery Zone Economic Development Bonds. As a result of this election, interest on the 2010A Bonds will be includable in gross income of the owners thereof for federal income tax purposes and the owners of the 2010A Bonds will not be entitled to any tax credits as a result of either ownership of the 2010A Bonds or receipt of any interest payments on the 2010A Bonds. Owners of the 2010A Bonds should consult their tax advisors with respect to the inclusion of interest on the 2010A Bonds in gross income for federal income tax purposes. The County intends to apply for Build America Payments for the 2010A Bonds.

The 2010B Bonds as Qualified Build America Bonds

The County, on behalf of the County, has made an irrevocable election to treat the 2010B Bonds as Qualified Build America Bonds. As a result of this election, interest on the 2010B Bonds will be includable in gross income of the owners thereof for federal income tax purposes and the owners of the 2010B Bonds will not be entitled to any tax credits as a result of either ownership of the 2010B Bonds or receipt of any interest payments on the 2010B Bonds. Owners of the 2010B Bonds should consult their tax advisors with respect to the inclusion of interest on the 2010B Bonds in gross income for federal income tax purposes. The County intends to apply for Build America Payments for the 2010B Bonds.

Build America/Recovery Zone Economic Development Bond Payments

Under Section 6431 of the Code, an issuer of a Qualified Build America Bond, including Recovery Zone Economic Development Bonds, will apply to receive payments (the "**Build America Payments**") directly from the Secretary of the U.S. Treasury (the "**Secretary**"). The Amount of the payment is set at 35 percent (35%) and 45 percent (45%) of the corresponding interest payable on the related Build America/Recovery Zone Economic Development Bonds. To receive a payment, under currently existing procedures, the County will have to file a tax return (now designated Form 8038-CP) between 90 and 45 days prior to the corresponding bond interest payment date. The issuer should expect to receive the payment within 45 days of filing the return. Depending on the timing of the filing, the payment may be received before or after the corresponding interest payment date.

No assurances are provided that the County will receive Build America Payments. The amount of any Build America Payment is subject to legislative changes by Congress. Build America Payments will only be paid if the 2010A and 2010B Bonds are Qualified Build America Bonds, the County must comply with certain covenants, and the County must establish certain facts and expectations with respect to the 2010A and 2010B Bonds, the use and investment of proceeds thereof and the use of property financed thereby. There are currently no procedures for requesting a Build America Payment after the 45th day prior to an interest payment date; therefore, if the County fails to file the necessary tax return in a timely fashion, it is possible that the County will never receive such Build America Payments. Also, Build America Payments are subject to offset against certain amounts that may, for unrelated reasons, be owed by the County to an agency of the United States of America.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.)

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("Holdings"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

Effective November 9, 2009, Financial Security Assurance Inc. changed its name to Assured Guaranty Municipal Corp.

AGM's financial strength is rated "AAA" (negative outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "Aa3" (negative outlook) by Moody's Investors Service, Inc. ("Moody's"). On February 24, 2010, Fitch, Inc. ("Fitch"), at the request of AGL, withdrew its "AA" (Negative Outlook) insurer financial strength rating of AGM at the then current rating level. Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by AGM. AGM does not guarantee the market price of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On May 17, 2010, S&P published a Research Update in which it affirmed its "AAA" counterparty credit and financial strength ratings on AGM. At the same time, S&P continued its negative outlook on AGM. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

In a press release dated February 24, 2010, Fitch announced that, at the request of AGL, it had withdrawn the "AA" (Negative Outlook) insurer financial strength rating of AGM at the then current rating level. Reference is made to the press release, a copy of which is available at www.fitchratings.com, for the complete text of Fitch's comments.

On December 18, 2009, Moody's issued a press release stating that it had affirmed the "Aa3" insurance financial strength rating of AGM, with a negative outlook. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments.

There can be no assurance as to any further ratings action that Moody's or S&P may take with respect to AGM.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which was filed by AGL with the Securities and Exchange Commission (the "SEC") on March 1, 2010, AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, which was filed by AGL with the SEC on May 10, 2010, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, which was filed by AGL with the SEC on August 9, 2010.

Capitalization of AGM

At June 30, 2010, AGM's consolidated policyholders' surplus and contingency reserves were approximately $2,264,680,337 and its total net unearned premium reserve was approximately $2,259,557,420, in each case, in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) The Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (which was filed by AGL with the SEC on March 1, 2010);

(ii) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010 (which was filed by AGL with the SEC on May 10, 2010); and

(iii) The Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 (which was filed by AGL with the SEC on August 9, 2010).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.): 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.)" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

BOND RATING

Standard & Poor's Rating Services is expected to assign a rating of "AAA"(negative outlook) to the Bonds based on the issuance by AGM of its Municipal Bond Insurance Policy at the time of delivery of the Bonds. The rating reflects only the view of such rating agency and any desired explanations of the significance of such rating should be obtained at the following address: Standard & Poor's Rating Services, 130 East Randolph Street, Suite 2900, Chicago, IL 60601.

There is no assurance that a rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if, in the judgment of such rating agency circumstances so warrant. Such lowering or withdrawal may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The County will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit registered owners and the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Disclosure Agreement, including termination, amendment and remedies, are set forth below under "**THE UNDERTAKING**."

The County has represented that it is in compliance with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the County to comply with the Undertaking will not constitute a default under the Ordinance and registered owners and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "**THE UNDERTAKING**—Consequences of Failure of the County to Provide Information." A failure by the County to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the County and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the County.

FINANCIAL INFORMATION DISCLOSURE

Annual Financial Information Disclosure

The County covenants that within 180 days after the end of each fiscal year the County will disseminate the Annual Financial Information and within 60 days within receipt from the auditor the County will dis seminate the County's Audited Financial Statements (both as described below) to each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") (Presently the sole NRMSIR is the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access system ("EMMA") See www.emma.msrb.org) and to the repository, if any, designated by the State of Illinois as the state information depository (the "SID", of which Illinois has none at this time) and recognized as such by the Commission for purposes of the Rule. Annual Financial Information and the Audited Financial Statements, which together constitute the Annual Report, will be provided to MSRB's EMMA (the sole NRMSIR) and to the SID, if any, by 180 days after the last day of the County's fiscal year (constituting the "Annual Report"). If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included and final audits will be sent when available.

"Audited Financial Statements" means the financial statements of the County as audited annually by independent certified public accountants. Audited Financial Statements are to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (*i.e.*, as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

"Annual Financial Information" means updated information in this Final Official Statement under the captions:

1. "COUNTY INFORMATION"
2. "SOCIO-ECONOMIC INFORMATION"
3. "DEBT INFORMATION"
4. "EQUALIZED ASSESSED VALUATION"
5. "TAX INFORMATION"
6. "FINANCIAL INFORMATION"

All or a portion of the Annual Report may be included by reference to other documents which have been submitted to EMMA. If the information included by reference is contained in an official statement, the official statement must be available from the MSRB's EMMA. The County shall clearly identify each such item of information included by reference.

To the extent that the foregoing are included in or easily derived from the financial statements in (a) above, such information may not necessarily be restated separately under (b).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the County or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a Final Official Statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

MATERIAL EVENTS DISCLOSURE

The County covenants that it will disseminate to each NRMSIR then recognized by the Commission and to MSRB's EMMA and to the SID, if any, in a timely manner the disclosure of the occurrence of an Event (as described below) with respect to the Bonds that is material, as materiality is interpreted under the Securities Exchange Act of 1934, as amended. The material "Events" are:

- Principal and interest payment delinquencies
- Non-payment related defaults
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security
- Modifications to the rights or security holders
- Bond calls (other than scheduled mandatory sinking fund redemptions for which notice is given in accordance with the Ordinance)
- Defeasances
- Release, substitution or sale of property securing repayment of the securities
- Rating changes

ADDITIONAL INFORMATION

Nothing in the Undertaking shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a material Event, in addition to that which is required by the Undertaking. If the County chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the County shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a material Event.

CONSEQUENCES OF FAILURE OF THE COUNTY TO PROVIDE INFORMATION

In the event of a failure of the County to comply with any provision of the Undertaking, the registered owners or beneficial owner of any Bond may seek specific performance by court order, to cause the County to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the County to comply with the Undertaking shall be an action to compel performance.

AMENDMENT; MODIFICATION

Notwithstanding any other provision of the Undertaking, the County may amend or modify the Undertaking, if:

(a) The amendment or the modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County, or type of business conducted;

(b) The Undertaking, as amended, or modified, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or modification does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the County (such as Bond Counsel).

TERMINATION OF UNDERTAKING

The Undertaking shall be terminated if the County shall no longer have any legal liability for any obligation as to repayment of the Bonds under the applicable Bond Resolution.

ADDITIONAL INFORMATION

Nothing in the Undertaking shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a material Event, in addition to that which is required by the Undertaking. If the County chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the County shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a material Event.

DISSEMINATION AGENT

Financial Information and Notices of material Events can be obtained from:

The County of Union, Illinois Treasurer
309 W. Market St.
Jonesboro, Illinois 62952
(618) 833-5621

The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

UNDERWRITING – 2010A BONDS

Bernardi Securities, Inc. (the "Underwriter") has agreed to purchase the $1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment)), from the County at a price of 98.400% of the principal amount thereof plus accrued interest to the date of delivery. The Underwriter intends to reoffer the 2010A Bonds at a price of 100.000% of the principal amount of the 2010A Bonds.

The Underwriter must purchase and pay for all of the 2010A Bonds if any are purchased. The 2010A Bonds are being offered for sale at initial prices stated page ii of this Official Statement, plus accrued interest. After the initial offer, the offering price and other selling terms may be changed. The Underwriter reserves the right to offer any of the 2010A Bonds to one or more purchasers.

The Underwriter may engage in secondary market trading in the 2010A Bonds subject to applicable securities laws. However, the Underwriter is not obligated to repurchase any of the 2010A Bonds at the request of any owner thereof.

UNDERWRITING – 2010B BONDS

Bernardi Securities, Inc. (the "Underwriter") has agreed to purchase the $12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment)), from the County at a price of 98.4000% of the principal amount thereof plus accrued interest to the date of delivery. The Underwriter intends to reoffer the 2010B Bonds at a price of 100.000% of the principal amount of the 2010B Bonds.

The Underwriter must purchase and pay for all of the 2010B Bonds if any are purchased. The 2010B Bonds are being offered for sale at initial prices stated page ii of this Official Statement, plus accrued interest. After the initial offer, the offering price and other selling terms may be changed. The Underwriter reserves the right to offer any of the 2010B Bonds to one or more purchasers.

The Underwriter may engage in secondary market trading in the 2010B Bonds subject to applicable securities laws. However, the Underwriter is not obligated to repurchase any of the 2010B Bonds at the request of any owner thereof.

UNDERWRITING – 2010C BONDS

Bernardi Securities, Inc. (the "Underwriter") has agreed to purchase the $725,000 Taxable General Obligation Bonds (Alternate Revenue Source, Series 2010C, from the County at a price of 98.4000% of the principal amount thereof plus accrued interest to the date of delivery. The Underwriter intends to reoffer the 2010C Bonds at a price of 100.000% of the principal amount of the 2010C Bonds.

The Underwriter must purchase and pay for all of the 2010C Bonds if any are purchased. The 2010C Bonds are being offered for sale at initial prices stated page ii of this Official Statement, plus accrued interest. After the initial offer, the offering price and other selling terms may be changed. The Underwriter reserves the right to offer any of the 2010C Bonds to one or more purchasers.

The Underwriter may engage in secondary market trading in the 2010C Bonds subject to applicable securities laws. However, the Underwriter is not obligated to repurchase any of the 2010C Bonds at the request of any owner thereof.

DISTRIBUTION OF FINAL OFFICIAL STATEMENT

This Final Official Statement has been distributed to prospective purchasers by the Underwriter of the $1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment)), (the "2010A Bonds"), $12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment)) (the "2010B Bonds"), and the $725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C (the "2010C Bonds"), (Collectively, the 2010A Bonds, 2010B Bonds and 2010C Bonds are the "Bonds") dated September 29, 2010. All statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the County.

CERTIFICATION OF OFFICIAL STATEMENT

The County will provide to the Underwriter simultaneously with the delivery of the Bonds a certificate which shall state, among other things, that to the best of the knowledge and belief of the officer producing the certificate, this Final Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds, was true and correct in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

MISCELLANEOUS

This Final Official Statement is not to be construed as a contract or agreement between the County and the owners of any of the Bonds. Any statement made in this Final Official Statement involving matters of opinion is intended merely as an opinion and not as a representation of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Final Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

<u>/s/ Randy Lambdin</u>
Chairman
Union County Board of Commissioners
The County of Union, Illinois

APPENDIX A
BOOK-ENTRY SYSTEM-DTC

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds, (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC,MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Paying Agent. The requirement for physical delivery of Securities in connection with an optional tender or mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to County or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC..

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX B

The County of Union, Illinois
Audited Financial Statement

Fiscal Year Ending November 30, 2009

UNION COUNTY, ILLINOIS
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
November 30, 2009

TANNER MARLO CPAs INC.
509 ½ EAST DEYOUNG STREET
MARION, ILLINOIS 62959

TABLE OF CONTENTS

TABLE OF CONTENTS

TANNER MARLO CPAs, INC
Certified Public Accountants

509½ EAST DeYOUNG
MARION, ILLINOIS 62959
tannermarlo@hotmail.com

(618) 993-6193
(618) 997-2100 FAX

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Union County
County Courthouse
Jonesboro, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for Union County, Illinois, as of and for the year ended November 30, 2009, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of Union County's management. Our responsibly is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Union County Emergency Telephone System Board, which represents a significant portion of the County's Proprietary type funds. Those financial statements were audited by other auditors, whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the 911 Fund, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

As discussed in Note A, Union county prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County, Illinois as of

November 30, 2009, and the respective changes in cash basis financial position thereof for the year ended in conformity with the basis of cash receipts and disbursements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2010 on our consideration of Union County, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of a n audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Union County, Illinois taken as a whole. The other supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Union County, Illinois. Such information has been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion based on our audit and the report of other auditors is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the cash basis of accounting.

The required supplementary information, as listed in the accompanying table of contents, including Management's Discussion and Analysis and the General Fund Budgetary Comparison Schedule, is not a required part of the basic financial statements, but is supplementary information required by Governmental Accounting Standards Board. We and other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Tanner Marlo CPAs Inc.

TANNER MARLO CPAs INC.
Certified Public Accountants & Consultants
Marion, IL 62959

August 3, 2010

TANNER MARLO CPAS, INC
Certified Public Accountants

509½ EAST DeYOUNG
MARION, ILLINOIS 62959
tannermarlo@hotmail.com

(618) 993-6193
(618) 997-2100 FAX

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Union County Board of Commissioners
Courthouse
Jonesboro, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County, Illinois as of and for the year ended November 30, 2009, which collectively comprises Union County, Illinois' basic financial statements and have issued our report thereon dated August 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Union County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

Internal Control over Financial Reporting

In planning and performing our audit, we considered Union County, Illinois' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Reportable conditions are described in the accompanying schedule.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information of the County Board, management, the oversight audit agency and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

Tanner Marlo CPAs Inc.

TANNER MARLO CPAs INC.
Certified Public Accountants & Consultants
Marion, IL 62959

August 3, 2010

UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS
YEAR ENDED NOVEMBER 30, 2009

MATERIAL WEAKNESSES

No matters are reportable.

SIGNIFICANT DEFICIENCIES

No matters are reportable.

OTHER MATTERS

Prior Year Comments

Audit Adjustments

During the course of an audit engagement, an auditor will propose adjustments of financial statement amounts. Management evaluates our proposals and records those adjustments, which, in their judgment, are required to prevent the financial statements from being misstated. During our audit we noted audit adjustments from the prior year were not posted to the County's books. In order to correct fund balances for some funds, these adjustments had to be recorded again in fiscal year 2009.

We will be working with management in the coming year to resolve this issue and assist in recording these adjustments.

Outstanding Checks

During our audit we noted several checks that had been outstanding for more than six months. Outstanding checks greater than 180 days old are no longer valid and should be removed from the list of outstanding checks. The State of Illinois has escheat laws that govern the disposition of unclaimed property.

We recommend the Board of Commissioners consult with the States Attorney's office to determine the proper disposition of the old checks. In addition, the Board should develop a policy going forward to address checks that become old and no longer valid.

UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS
YEAR ENDED NOVEMBER 30, 2009

Current Year Comments

Due to/Due from General Fund

Several years ago, the General Fund borrowed funds from the Liability Insurance fund. The transaction was recorded as an inter-fund borrowing and due to/from accounts were setup on the books and records. The county has created a program to pay back interfund borrowing on a two year plan. We recommend that the Board of Commissioners adhere to a strict payback plan to resolve this transaction.

Tax Levy and Appropriation Allocations

The tax levy for the County has allocations to restricted funds which may need to be redistributed for better cost matching of services. We recommend a review of the tax levy and appropriation to match revenues generated to costs incurred and evaluate on an annual basis with the states attorney, Board of Commissioners, and county auditor prior to levy.

This financial report is designed to provide a general overview of Union County's finances for all those with an interest in the government's finances. Question concerning any of the information provided in this report or request for additional financial information should be addressed to the Union County Commissioners, 309 W. Market St. Room 100, Jonesboro, Illinois 62952.

Management Discussion and Analysis

As management of Union County, we offer readers of Union County's financial statements this narrative overview and analysis of the financial activities of Union County for the fiscal year ending November 30, 2009.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Union County's basic financial statements. Union County's basic financial statements: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS
YEAR ENDED NOVEMBER 30, 2009

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Union County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Union County's finance assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Union County is improving or deteriorating.

The statement of activities presents information showing how the government's assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change that occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal period (e.g., uncollected taxes and earned but unused sick day and vacation leave).

Both of the government-wide financial statements distinguish functions of Union County that are principally supported by taxes and intergovernment revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of Union County include general government, public safety, roads and bridges. The business-type activities of Union County include an Ambulance Service and 9-1-1. The government-wide financial statement can be found attached to this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Union County, like other county, state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Union County can be three categories: government funds, proprietary funds and fiduciary funds.

Government Funds

Government funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

UNION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS
YEAR ENDED NOVEMBER 30, 2009

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Union County maintains individual government funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenue and expenditures, and changes in fund balance.

Union County adopts an annual appropriated budget for the General fund, County highway funds Municipal Retirement & Social Security, Southern Seven Health Department and Mental Health, Tuberculosis, County Ambulance, Cemetery fund, Liability Insurance & Unemployment Compensation, General Assistance, Co-Operative Extension, Law Library, County Tourism County Hotel/Motel tax and Public Safety. A budgetary comparison statement is provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found attached with this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The basic fiduciary fund financial statements are attached as a part of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found attached with this report.

UNION COUNTY, ILLINOIS
STATEMENT OF NET ASSETS-CASH BASIS
November 30, 2009

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 2,945,603	$1,240,638	$4,186,241
Stamps on hand	12,000	-	12,000
Loans receivable	113,710	-	113,710
Due from other funds	515,000	-	515,000
Total Assets	3,586,313	1,240,638	4,826,951
Liabilities:			
Due to other funds	515,000	-	515,000
General obligation bond	2,710,000	-	2,710,000
Total Liabilities	3,225,000	-	3,225,000
NET ASSETS			
Restricted for:			
Inventory	12,000	-	12,000
Grant fund	4,780	-	4,780
Revolving loan fund	192,846	-	192,846
Debt Service	222,891	-	222,891
Unrestricted	(71,204)	1,240,638	1,169,434
Total Net Assets	$ 361,313	$1,240,638	$1,601,951

See accompanying notes to financial statements.

UNION COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES-CASH BASIS
For The Fiscal Year Ended November 30, 2009

Functions/Programs	Cash Disbursements	Program cash receipts: Operating Charges For Services	Program cash receipts: Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	$(2,358,465)	$966,544	$ -	$(1,391,921)	$ -	$(1,391,921)
Highways and streets	(2,484,593)	567,551	-	(1,917,042)	-	(1,917,042)
Public safety and judiciary	(901,713)	178,247	190,235	(533,231)	-	(533,231)
Health and welfare	(204,479)	-	-	(204,479)	-	(204,479)
Other	(864,715)	-	-	(864,715)	-	(864,715)
Deb Service	(267,575)	-	-	(267,575)	-	(267,575)
Total governmental activities	(7,081,540)	1,712,342	190,235	(5,178,963)	-	(5,178,963)
Business-Type activities:						
Ambulance	(1,261,591)	621,372	-	-	(640,219)	(640,219)
911	(304,278)	286,671	-	-	(17,607)	(17,607)
Other	(73,446)	45,238	-	-	(28,208)	(28,208)
Total Business-Type activities	(1,639,315)	953,281	-	-	(686,034)	(686,034)
Total Primary Government	$(8,720,855)	$2,665,623	$190,235	$(5,178,963)	$(686,034)	$(5,864,997)

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Public safety tax	225,941	-	225,941
Property and replacement taxes	4,354,575	602,442	(4,957,017)
Sales, service and utility taxes	485,859	-	485,859
Motor fuel tax	885,371	-	885,371
State Income tax	770,473	-	770,473
Interest Income	31,979	36,297	68,276
Other receipts and reimbursements	114,428	2,339	116,767
Transfers	(19,000)	19,000	-
Total general revenues and transfers	6,849,626	660,078	7,509,704
Change in net assets	1,670,663	(25,956)	1,644,707
Net assets-beginning	(1,309,350)	1,266,594	(42,756)
Net assets-ending	$ 361,313	$1,240,638	$1,601,951

See accompanying note to financial statements.

UNION COUNTY, ILLINOIS
BALANCE SHEET-CASH BASIS
GOVERNMENTAL FUNDS
November 30, 2009

	General	Liability Insurance	County Highway	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$194,046	$462,135	$75,674	$79,136	$2,134,612	$2,945,603
Stamps on hand	12,000	-	-	-	-	12,000
Loans receivable	-	-	-	113,710	-	113,710
Due from other funds	-	515,000	-	-	-	515,000
Total Assets	206,046	977,135	75,674	192,846	2,134,612	3,586,313
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	515,000	-	-	-	-	515,000
Total Liabilities	515,000	-	-	-	-	515,000
Fund balances(deficit):						
Reserved for inventory	12,000	-	-	-	-	12,000
Reserved for grant fund	-	-	-	-	4,780	4,780
Reserved for revolving loan fund	-	-	-	192,846	-	192,846
Reserved for debt service	-	-	-	-	222,891	222,891
Unreserved reported in:						
General Fund	(320,954)	-	-	-	-	(320,954)
Special revenue funds	-	977,135	75,674	-	1,906,941	2,959,750
Total Fund Balances(Deficit)	(308,954)	977,135	75,674	192,846	2,134,612	3,071,313
Total Liabilities and Fund Balances	$206,046	$977,135	$75,674	$192,846	$2,134,612	$3,586,313

Reconciliation to Statement of Net Assets:

Total fund balance for governmental funds	$3,071,313
Amounts reported for governmental activities in the statement of net assets are different because:	
Liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,710,000)
Net assets of governmental activities	$ 361,313

See accompanying note to financial statements.

UNION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED November 30, 2009

	General	Liability Insurance	County Highway	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Public safety tax	$ -	$ -	$ -	$ -	$ 225,941	$ 225,941
Property and replacement taxes	971,116	459,247	180,635	-	2,743,577	4,354,575
County share of Illinois income tax	770,473	-	-	-	-	770,473
County share of sales tax	485,859	-	-	-	-	485,859
Intergovernmental revenue	-	-	-	-	50,258	50,258
Salary reimbursements	275,867	-	-	-	44,684	320,551
Service fee, fines, licenses and commissions	837,928	-	94,951	-	306,863	1,239,742
Interest income	8,431	4,010	344	6,855	12,339	31,979
Equipment rental	-	-	472,600	-	-	472,600
Motor fuel tax allotments	-	-	-	-	885,371	885,371
Grants and entitlements	-	-	-	-	190,235	190,235
Other receipts and reimbursements	183,486	-	34,057	-	335,805	553,348
Total Revenues	3,533,160	463,257	782,587	6,855	4,795,073	9,580,932
Expenditures:						
General government	859,432	-	-	-	71,641	931,073
Public safety	1,117,924	-	-	-	562,464	1,680,388
Corrections	121,955	-	-	-	-	121,955
Judiciary and legal	705,495	-	-	-	-	705,495
Highways and streets	-	-	724,843	-	1,759,750	2,484,593
Health and welfare	296,101	-	-	-	204,479	500,580
Other expenditures and reimbursements	86,859	339,249	-	43,787	1,132,290	1,602,185
Total Expenditures	3,187,766	339,249	724,843	43,787	3,730,624	8,026,269
Excess(Deficiency) of Revenues Over Expenditures	345,394	124,008	57,744	(36,932)	1,064,449	1,554,663
Other Financing Sources(Uses):						
Transfers in	-	44,705	-	-	157,436	202,141
Transfers out	(31,800)	-	-	-	(189,341)	(221,141)
Total Other Financing Sources(Uses)	(31,800)	44,705	-	-	(31,905)	(19,000)
NET CHANGE IN FUND BALANCES	313,594	168,713	57,744	(36,932)	1,032,544	1,535,663
FUND BALANCES(deficit), BEGINNING OF YEAR	(622,548)	808,422	17,930	229,778	1,102,068	1,535,650
FUND BALANCES(deficit), END OF YEAR	$ (308,954)	$ 977,135	$ 75,674	$192,846	$2,134,612	$3,071,313

Reconciliation to change in net assets:	
Net change in fund balance for governmental funds	$1,535,663
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of long term debt	135,000
Change in net assets of governmental activities	$1,670,663

See accompanying note to financial statements

UNION COUNTY, ILLINOIS
STATEMENT OF NET ASSETS-CASH BASIS
PROPRIETARY FUNDS
November 30, 2009

	ENTERPRISE FUNDS			
	Major		Non-major	
	Ambulance Fund	911 Fund	Animal Control	Total
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 606,845	$ 624,617	$ 9,176	$ 1,240,638
Total Assets	606,845	624,617	9,176	1,240,638
NET ASSETS				
Unrestricted	606,845	624,617	9,176	1,240,638
Total Net Assets	$ 606,845	$ 624,617	$ 9,176	$ 1,240,638

See accompanying notes to financial statements

UNION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS-CASH BASIS, PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED November 30, 2009

	Ambulance Fund	911 Fund	Animal Control	Total
Operating Revenues				
Charges for services	$ 621,372	$ 286,671	$ 45,238	$ 953,281
Property and replacement taxes	602,442	-	-	602,442
Other receipts and reimbursements	1,160	-	1,179	2,339
Total Operating Revenues	1,224,974	286,671	46,417	1,558,062
Operating Expenses:				
Salaries	525,956	180,515	44,372	750,843
Fringe benefits	62,874	-	5,228	68,102
Telephone	-	49,224	1,722	50,946
Utilities	16,604	-	3,834	20,438
Supplies	29,745	9,188	6,916	45,849
Office expense	9,670	-	279	9,949
Training	-	-	951	951
Travel	2,565	-	-	2,565
Maintenance and repairs	79,581	31,312	8,359	119,252
Equipment	524,587	10,150	-	534,737
Miscellaneous	10,009	11,889	1,785	23,683
Rent	-	12,000	-	12,000
Total Operating Expenses	1,261,591	304,278	73,446	1,639,315
Operating Income (loss)	(36,617)	(17,607)	(27,029)	(81,253)
Nonoperating Revenues				
Interest income	16,085	20,140	72	36,297
Total Nonoperating Revenues	16,085	20,140	72	36,297
Net Income(Loss) Before Contributions and Transfers	(20,532)	2,533	(26,957)	(44,956)
Transfers in	-	-	19,000	19,000
Change in net assets	(20,532)	2,533	(7,957)	(25,956)
Total net assets-beginning	627,377	622,084	17,133	1,266,594
Total net assets-ending	$ 606,845	$ 624,617	$ 9,176	$ 1,240,638

See accompanying notes to financial statements.

UNION COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-CASH BASIS
AGENCY FUNDS
November 30, 2009

	Circuit Clerk Bond Fund	General Assistance Earnfare	Totals
Assets:			
Cash	$ 469,781	$ 15,227	$ 485,008
Total Assets	469,781	15,227	485,008
Liabilities:			
Escrow liability	469,781	-	469,781
Due to General Assistance Program	-	6,187	6,187
Total Liabilities	469,781	6,187	475,968
Net Assets	$ -	$ 9,040	$ 9,040

See accompanying note to financial statements

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note A.3, these financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

1. Reporting Entity

Union County operates under a Board of County Commissioners form of government and provides the following services: public safety, highways and streets, education, judiciary, corrections, health and social services, county improvements, and general administrative services. The County, for financial purposes, includes all of the funds relevant to the operations of Union County. The County is considered to be a primary government pursuant to GASB Statement 14 since it is legally separate and fiscally independent. The County has no component units which are legally separate entities from the County for which the County is financially accountable or whose relationship with the County is such that exclusion would cause the County's statements to be misleading or incomplete.

2. Basis of Presentation-Fund Accounting

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the County as a whole. They include all funds of the County except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Taxes and other items not properly included among program revenues are reported instead as general revenues.

UNION COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2009

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary categories. The County's fiduciary funds are presented separately. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The funds of the County are described below:

Governmental Funds

General Fund

The General Fund is the operating fund of the County and is always classified as a major fund. It is established to account for all financial resources except those required to be accounted for in another fund. General tax receipts and other sources of receipts used to finance the fundamental operations of the County are included in this fund.

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds
Special Revenue Funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Fund
The Debt Service Fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from the Enterprise Funds.

Fiduciary Funds

These funds account for assets held by the County as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Agency Funds
Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity.

Proprietary Funds

These funds account for operations that are organized to be self-supporting through user charges. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. The following is the County's proprietary fund:

Enterprise Funds
Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that costs of providing services to the general public on a counting basis be recovered through user changes/

3. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and how they are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County maintains its accounting records for all funds on the cash basis. Accordingly, revenue is recognized and recorded when cash is received and expenditures are recognized and recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. This differs from the generally accepted accounting principles of recording revenues and expenditures of Governmental Funds when they become measurable and available, and when the related liabilities is incurred.

4. Budgets and Budgetary Accounting

The County's budget is prepared so that each fund's budgeted revenue received and expenditures disbursed can be compared to the actual revenue received and expenditures disbursed.

Total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year.

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to November 15, a proposed operating budget for the fiscal year commencing the following December 1, is submitted to the County Board. The operating budget includes proposed expenditures and the means of financing them.
2. The Budget is made available for the public inspection for fifteen days prior to final action thereon.
3. Prior to December 1, the budget is formally approved by the Board action.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
5. Budgets for the General and Special Revenue Funds are adopted on the cash basis of accounting.

5. Cash and Cash Equivalents

For purposes of the statement of cash flows of the enterprise fund, the County considers all cash and certificates of deposit to be cash and cash equivalents.

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Due To and Due From Other Funds

Interfund receivabls and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

7. Property and Equipment

The County does not capitalize fixed assets and does not maintain fixed asset records. Assets are expended when purchased.

8. Encumbrances

The County does not maintain information concerning encumbrances. Therefore, no amounts for encumbrances are reported in the financial statements.

9. Accumulated Unpaid Vacation and Sick Pay

Most County Employees are covered under a union contract and are entitled to certain compensated absences based on their employment contract. These compensated absences do accumulate if not used by the employee in the year ended. Upon termination, employees are compensated for unused vacation pay. As a result of the use of cash basis accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid.

10. Estimates

The preparation of financial statements in conformity with the United States generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

11. Differences from GAAP

As discussed in Note A.2, the County reports both the government-wide and fund financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

NOTE B-PROPERTY TAXES

The County's property tax is levied each year on all taxable real property located in the County on or before the last Tuesday in December. The levy was passes by the Commissioners on November 28, 2008. Property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments in December and February. The County receives significant distributions of tax receipts approximately one month after these due dates. Property taxes are not recognized as revenue until they are received.

NOTE C-DEPOSITS AND INVESTMENTS

Authorized Deposits and Investments

Illinois Compiled Statues authorize the County to invest in interest bearing savings accounts, certificates of deposit and time deposits, shares or other forms of securities legally insurable by savings and loan associates, bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America, and short term discount obligations of the Federal National Mortgage Association.

Deposits

At November 30, 2009 the carrying amount of the County's deposits with financial institutions was $4,743,811 and the bank balance was $4,896,221.

Custodial Credit Risk-Custodial risk is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. Due to the nature of the certificates of deposit, they are included as deposit balances on the balance sheet. As of November 30, 2009, the County has $711,521 of uninsured/uncollateralized deposits.

At November 20, 2009, the bank balance of $4,896,221, including fiduciary funds, $1,531,619 was covered by federal depository insurance, $2,653,081 were collateralized by pledged bank assets in the County's name, and $711,521 was uninsured/uncollateralized.

Investments

As of November 30, 2009, the County had the following investments and maturities.

Investment Type	Fair Value	6-12 Months	1-3 Years
Certificates of deposit	$836,576	$423,576	$413,000

NOTE C-DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk-Interest rate risk is the risk that the fair value of an investment will decline as interest increases. The County's investment policy is described in the paragraph below. Due to the County's type of investments at November 30, 2009, certificates of deposits, interest rate risk is not significant.

Credit Risk-Credit risk is the risk that the financial counter party will fail to meet its defined obligations. State statutes authorize the County to invest only in direct obligations of the U.S. Governments or its agencies; direct obligations of any financial institution that is insured by the Federal Deposit Insurance Corporation; short-term obligations of corporations rated A or better by at least two standard rating services; obligations of the State of Illinois and its political subdivisions; insured accounts of credit unions located in the State of Illinois; The Illinois Funds; certain money market mutual funds where the portfolio if limited to U.S. Government securities; and certain repurchase agreements. Credit quality ratings disclosures do not apply to debt securities of the U.S. government.

Custodial Credit Risk-For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

NOTE D-DUE TO/FROM OTHER FUNDS

As of November 30, 2009, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	$ -	$515,000
Liability Insurance Fund	515,000	-
	$515,000	$515,000

NOTE E-LOANS RECEIVABLE/REVOLVING LOAN PROGRAM

The County has established a Revolving Loan Program through the use of funds from the Illinois Department of Commerce and Community Affairs. These funds are to be used to promote economic development in the County by providing low interest loans. As the funds are recaptured from the loans, they may be used to make other economic development loans. As of November 30, 2009, the County had the following loans receivable through the revolving loans program:

	Loan Amount	Date	Interest Rate	Maturity Date	Balance at 11/30/09
Amy D. Mezo	$ 40,000	6/14/2006	5%	1/14/2022	$ 34,488
Reynolds Service Company	50,000	10/29/1996	5%	11/01/2011	9,472
McCann & Son's A/C & Heating	25,250	11/19/2004	5%	2/19/2015	14,749
Boars Nest Bed & Breakfast	30,000	12/05/2005	5%	6/05/2020	25,258
TLC Metals	30,000	10/27/2009	5%	11/1/2024	29,743
	$175,250				$113,710

As of November 30, 2009, the following loans were considered current: McCann & Son's A/C and Heating, Reynolds Service Company, and TLC Metals. The following loans were not considered current: Amy D. Mezo and Boars Nest Bed & Breakfast.

NOTE F-RETIREMENT COMMITMENTS

Illinois Municipal Retirement Fund-Defined Benefit Pension Plan

The County's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan member and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. SLEP members are required to contribute 7.50 percent of their annual covered salary. ECO members are required to contribute 7.50 percent of their annual covered salary. The member rate is established by the state statue. The County is required to contribute at an actuarially determined rate. The employer rate for calendar year 2009, based on the 2007 valuation, was 3.61 percent of payroll for SLEP member, 13.59

NOTE F-RETIREMENT COMMITMENTS (Continued)

percent of payroll for ECO members and 9.96 percent for all other employees. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2009 was 23 years for ECO members and all other employees and 4 years for SLEP members.

For December 1, 2009, the County's annual pension cost of $ 18,713 for SLEP members, $50,064 for ECO members and $ 217,411 for all other members was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.3 percent to 12.2 percent a year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period, with a 20 percent corridor. The assumptions used for the 2009 actuarial valuation were based on the 2002-2004 experience study. However, the 2009 actuarial valuation information shown in the IMRF Required Supplemental Information is based on the 2005-2007 experience study.

*DIGEST OF CHANGES

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study. The principal changes were:

NOTE G-LEGAL DEBT MARGIN

The County is subjected to the Municipal Finance Law of Illinois, which limits the amount of net ~~bonded debt the County may have outstanding to 5.75 percent of the assessed valuation.~~

At November 30, 2009 the statutory limit for the County was $9,142,336 providing a remaining debt margin of $6,223,431.

UNION COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2009

NOTE H-LONG-TERM DEBT

Bonds Payable

Union County, Illinois issued General Obligation Self-Insurance Refunding Bonds, Series 2002 on May 14, 2002. These bonds were issued to refinance the County's portion of continuing costs of establishing a joint self-insurance program with other Illinois counties pursuant to the Southern Illinois Counties Insurance Trust. The refinancing consisted of refunding the Series 1993 and 1995 bonds. The interest on the General Obligation Self-Insurance Refunding Bonds, Series 2002 is payable, on June 1 and December 1 of each year commencing on June 1, 2002.

Union County, Illinois issued General Obligation Self-Insurance Bonds, Series 2006 on October 16, 2006. These bonds were issued to finance the County's portion of a "Recapitalization Project for Southern Illinois Counties Insurance Trust" in order to ensure the future financial viability of the Trust. The interest on the General Obligation Self-Insurance Refunding Bonds, Series 2006 is payable on June 1 and December 1 of each year commencing on June 1, 2007.

The interest rates on both Bonds, Series 2002 and Series 2006, vary and are outlined below. The Union Trust Corporation of Streator, Illinois, is the paying agent. The bonds are direct general obligations of Union County, Illinois, and contain a pledge of the County's full faith and credit for the payment of the principal and interest on the bonds. The bond payment schedules including interest rates are as follows:

Series 2002

Date	Interest Rate	Principal	Interest	Total Payments
12/1/10	4.250%	$145,000	$ 43,352	$ 188,352
12/1/11	4.300%	155,000	37,190	192,190
12/1/12	4.400%	155,000	30,525	185,525
12/1/13	4.500%	165,000	23,705	188,705
12/1/14	4.600%	170,000	16,280	186,280
12/1/15	4.700%	180,000	8,460	188,460
		$ 970,000	$ 159,512	$1,129,512

NOTE H-LONG-TERM DEBT (Continued)

Series 2006

Date	Interest Rate	Principal	Interest	Total Payments
12/1/10	4.75%	$ -	$ 82,670	$ 82,670
12/1/11	4.75%	-	82,670	82,670
12/1/12	4.75%	-	82,670	82,670
12/1/13	4.75%	-	82,670	82,670
12/1/14	4.00%	100,000	82,670	182,670
12/1/15	4.05%	105,000	78,670	183,670
12/1/16	4.10%	280,000	74,418	354,418
12/1/17	4.20%	300,000	62,938	362,938
12/1/18	4.25%	305,000	50,338	355,338
12/1/19	-	-	-	-
12/1/20	5.75%	650,000	56,636	706,636
		$1,740,000	$ 736,350	$2,476,350

Remaining Escrow Requirements Related to Refunded 1995 Bonds

Date	Principal	Interest Rate	Interest	Escrow Requirements Related to Refunded 1995 Bonds
12/1/09	$ 135,000	Various	$ 24,444	$ 159,444
	$ 135,000		$ 24,444	$ 159,444

NOTE H-LONG-TERM DEBT (Continued)

Summary of Debt Transactions

The following is a summary of the debt transaction of Union County for the year ended November 30, 2009:

	Series 2002 Bonds
Balance, December 1, 2008	$ 2,845,000
Principal Paid	(135,000)
Balance, November 30, 2009	$ 2,710,000

The annual cash flow requirement for next five years of bond and interest is as follows:

Fiscal Year Ending November 30	Principal	Interest	Total
2010	$ 145,000	$ 126,022	$ 271,022
2011	155,000	119,860	274,860
2012	155,000	113,195	268,195
2013	165,000	106,375	271,375
2014	270,000	98,950	368,950
	$ 890,000	$ 564,402	$ 1,454,402

NOTE I-RISK MANAGEMENT AND LITIGATION

The County is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, Union County participates in the Southern Illinois Counties Insurance Trust. The Trust is setup to provide Pulaski and Union Counties with basic insurance coverage. The trust is funded by insurance premiums from each of the participants along with bond proceeds issued by each county to provide the insurance reserves. Total bond proceeds for providing the initial reserve was $4,500,000 with a self-insured retention of $250,000. During 2006, the Trust's members approved a "Recapitalization Project for Southern Illinois Counties Insurance Trust." This project included the issuance of a total of $4 million in bonds by the respective members in order to ensure the future financial viability of the Trust as well as a self-imposed assessment of $200,000. The County's policy is to record any related expenditures in the year in which they are notified of a loss.

UNION COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2009

NOTE I-RISK MANAGEMENT AND LITIGATION (Continued)

There are certain outstanding claims for which the ultimate liability, if any cannot be determined at this time. County officials believe the claims should fall within the trust and insurance coverage's.

NOTE J-DEFICIT FUND BALANCE

As of November 30, 2009, the County General Fund had a deficit fund balance of $308,954.

NOTE K-EXPENDITURES IN EXCESS OF BUDGET

Excess of expenditures over appropriations in individual funds for the year ended November 30, 2009, are as follows:

Fund	Expenditures	Budget
Hotel/Motel Tax	$9,917	$9,000
County Tourism	$47,048	$41,700
General Assistance	$81,034	$66,170

NOTE L-RESTRICTED ASSETS

Certain resources are classified as restricted assets on the balance sheet because their use is limited to a specific purpose. A summary of restricted assets at November 30, 2009 is as follows:

Restricted Assets	
Revenue Stamps	
Inventory	$ 12,000
Grant Fund	
Cash	4,780
Revolving Loan Fund	
Cash	79,136
Loans receivable	113,710
Debt Service	
Cash	222,891
	$ 432,517

NOTE M-INTERFUND TRANSFERS

The following is a schedule of operating transfers as included in the Statement of Net Assets of the County.

	Transfers In	Transfers out
Major Funds:		
General Fund	$ -	$ 31,800
Liability Insurance Fund	44,705	-
Total Major Funds	44,705	31,800
Nonmajor Governmental Funds:		
County Unit Road District	-	100,000
County Unit Road District- MFT	100,000	-
Law Enforcement Drug Fund	9,700	-
County Tourism	35,736	-
Hotel/Motel Tax	-	89,341
Cemetery Fund	12,000	-
Total Nonmajor Funds	157,436	189,341
Proprietary Funds:		
Animal Control	19,000	-
Total Proprietary Funds	19,000	-
TOTAL ALL FUNDS	$ 221,141	$ 221,141

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
GENERAL FUND
November 30, 2009

	Budget Amounts Original	Budget Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Property Taxes-prior year levy	$310,000	$310,000	$348,846	$38,846
Property and replacement taxes-current year	670,500	670,500	622,270	(48,230)
County share of IL income tax	900,000	900,000	770,473	(129,527)
County share of sales tax	520,000	520,000	485,859	(34,141)
Service fees, licenses and commissions	801,900	801,900	837,928	36,028
Interest income	15,500	15,500	8,431	(7,069)
Salary reimbursements	202,500	202,500	275,867	73,367
Other receipts and reimbursements	53,900	53,900	183,486	129,586
Total revenues	3,474,300	3,474,300	3,533,160	58,860
GENERAL GOVERNMENT				
Board of Commissioners				
Salaries	24,000	24,000	24,000	-
Travel and expense	1,000	1,000	175	825
Printing	1,000	1,000	54	946
Office supplies	100	1,000	78	22
	26,100	1,000	24,307	1,793
County Clerk				
Salary-County Clerk	49,000	49,000	49,000	-
Salary-Deputies	63,170	63,170	62,337	833
Salary-part-time	3,500	3,500	3,144	356
Salary-overtime	2,000	2,000	1,384	616
Fees-vital statistics	225	225	174	51
Microfilm	2,500	2,500	2,500	-
Office Supplies	3,000	3,000	2,788	212
Postage and box rent	2,500	2,500	2,317	183
Ledgers and binders	1,000	1,000	821	179
Association dues	250	250	220	30
Photocopy supplies	1,500	1,500	1,491	30
Equipment service contract	3,000	3,000	2,662	338
Maintenance-equipments	2,900	2,900	1,986	914
Travel	500	500	483	17
Miscellaneous	500	500	462	38
	135,545	135,545	131,769	3,776
Collector and Treasurer				
Salary-Collector	10,000	10,000	9,774	226
Salary-Treasurer	49,000	49,000	49,000	-
Salary-Assistant Treasurer	33,892	33,892	34,061	(169)
Salary-Deputies	78,875	78,875	79,033	(158)
Equipment repair	300	300	240	60
Postage and envelopes	5,500	5,500	7,538	(2,038)
Office supplies	3,000	3,000	3,739	(739)
Publishing	5,500	5,500	3,601	1,899
Dues	260	260	260	-
Travel and expense	1,000	1,000	259	741
Equipment	2,600	2,600	2,556	44
	189,927	189,927	190,061	(134)
Subtotal general government Carried forward	351,572	351,572	346,137	5,435

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS-Continued
GENERAL FUND
November 30, 2009

	Budget Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
General Government brought forward	$351,572	$351,512	$346,137	$ 5,435
Other expenditures and reimbursements				
County audit and budget preparation	28,000	28,000	38,000	(10,000)
Hotel/Motel administration	2,000	2,000	452	1,548
Computer Service	85,000	85,000	70,495	14,505
Contingencies	200,000	200,000	74,326	125,674
IMRF repayment	275,000	275,000	50,000	225,000
Public service contracts	1,600	1,600	2,366	(766)
	591,600	591,600	235,639	355,961
Supervisor of Assessment				
Salary-Supervisor	49,000	49,000	45,583	3,417
Salary-Deputies	87,725	87,725	83,589	4,136
Salary-Assistant Supervisor	-	-	4,683	(4,683)
Soil mapping	3,900	3,900	3,900	-
Travel	2,500	2,500	3,378	(878)
Postage	1,000	1,000	160	840
Publication of notices	2,000	2,000	2,143	(143)
Office supplies	1,500	1,500	1,682	(182)
Photocopy supplies	500	500	842	(342)
Equipment	1,000	1,000	1,046	(46)
Miscellaneous	300	300	369	(69)
	149,425	149,425	147,375	2,050
Elections				
Salaries	24,730	24,730	18,991	5,739
Postage	3,000	3,000	2,546	454
Publishing	10,000	10,000	5,723	4,277
Office supplies	65,000	65,000	63,947	1,053
Computer	6,300	6,300	5,893	407
Election polling places	2,000	2,000	550	1,450
Judge school	2,000	2,000	250	250
Judges pay, rent and mileage	32,000	32,000	32,381	(381)
	143,530	143,530	130,281	13,249
Total general government	$1,236,127	$1,236,127	$859,432	$376,695

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS-Continued
GENERAL FUND
November 30, 2009

	Budget Amounts Original	Budget Amounts Final	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY				
Sheriff's Department				
Salary-Sheriff	$51,185	$51,185	$51,247	$(62)
Salary-Deputies	250,600	250,600	252,307	(1,707)
Salary-Public Safety	1,500	1,500	1,438	62
Salary-Secretary	34,360	34,360	34,699	(339)
Salary-Custodian	26,980	26,980	27,053	(73)
Salary-Radio Operator	117,900	117,900	114,301	3,599
Salary-Civil Process Server	7,500	7,500	5,368	2,132
Salary-Holiday Buy Back	8,000	8,000	13,641	(5,641)
Salary-Custodial-part-time	800	800	760	40
Salary-Overtime	23,000	23,000	27,467	(4,467)
Uniforms	3,000	3,000	3,199	(199)
New Vehicle	26,000	26,000	33,449	(7,449)
Postage	1,200	1,200	1,016	184
Laundry Service	2,300	2,300	1,494	806
Travel-Transportation of prisoners	500	500	581	(81)
Sheriff dues	1,500	1,500	1,790	(290)
Training	-	-	300	(300)
Food-Prisoners	800	800	297	503
Office Supplies	3,500	3,500	2,787	713
Gasoline	55,000	55,000	55,588	(588)
Repairs	18,000	18,000	15,002	2,998
Operating Supplies	7,000	7,000	8,952	(1,952)
Computer	7,000	7,000	4,831	2,169
Computer Maintenance	8,000	8,000	7,977	23
Photocopy Supplies	1,000	1,000	1,131	(131)
Ledgers and Binders	550	550	378	172
Equipment	-	-	45	(45)
	657,175	657,175	667,098	(9,923)
County Coroner				
Salary-Coroner	11,910	11,910	11,910	-
Salary-Deputy	3,300	3,300	2,400	900
Telephone	600	600	518	82
~~Court Reporter~~	~~100~~	~~100~~	-	~~100~~
~~Dues~~	~~300~~	~~300~~	~~325~~	~~(25)~~
Training	750	750	1,301	(551)
Medical	10,800	10,800	13,051	(2,251)
Subtotal County Coroner Carried Forward	27,760	27,760	29,505	(1,745)

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS-Continued
GENERAL FUND
November 30, 2009

	Budget Amounts Original	Budget Amounts Final	Actual	Variance with Final Budget Positive (Negative)
County Coroner brought forward	$27,760	$27,760	$29,505	(1,745)
Office supplies	300	300	60	240
Jurors	100	100	-	100
Equipment	300	300	510	(210)
	28,460	28,460	30,075	(1,615)
Courthouse and Jail				
Maintenance-building	40,000	40,000	28,736	11,264
Building improvements	8,183	8,183	-	8,183
Housing prisoners	250,000	250,000	279,170	(29,170)
Juvenile detention	30,000	30,000	14,146	15,854
Telephone	44,000	44,000	41,654	2,346
Utilities	40,000	44,000	34,817	5,183
Laundry	100	100	-	100
	412,283	412,283	398,523	13,760
Emergency Services and Disaster Operations				
Salaries	12,500	12,500	12,500	-
Salaries-secretary	300	300	220	80
Maintenance vehicle	700	700	35	665
Telephone	1,600	1,600	1,377	223
Utilities	2,500	2,500	1,912	588
Travel	1,000	1,000	468	532
Postage	100	100	38	62
Dues	45	45	45	-
Training	750	750	-	750
Public service contracts	1,000	1,000	81	919
Office supplies	400	400	369	31
Gas and oil	500	500	183	317
Miscellaneous	1,000	1,000	1,000	-
Equipment	4,000	4,000	4,000	-
	26,395	26,395	22,228	4,167
Total Public Safety	$1,124,313	$1,124,313	$1,117,924	$6,389
CORRECTIONS				
Probation				
Union County share of area wide expense	$104,857	$104,857	$121,955	$(17,098)
Total Corrections	$104,857	$104,857	$121,955	$(17,098)

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS-Continued
GENERAL FUND
November 30, 2009

	Budget Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
JUDICIARY AND LEGAL				
Circuit Clerk				
Salary-Circuit Clerk	$49,000	$49,000	$49,000	$ -
Salary-Assistant Circuit Clerk	33,519	33,519	32,480	1,039
Salary-Deputy Clerk	139,584	139,584	138,142	1,442
Salary-Part-Time	8,000	8,000	8,319	(319)
Travel	500	500	500	-
Equipment	600	600	582	18
Office and Court Supplies	4,500	4,500	3,832	668
Postage and box rent	9,500	9,500	10,297	(797)
Photocopy supplies	1,100	1,100	79	1,021
Miscellaneous	350	350	152	198
Dues-Circuit Clerk	350	350	300	50
	247,003	247,003	243,683	3,320
Court Expense				
Postage	200	200	1,044	(844)
Legal services/court	140,000	140,000	116,015	23,985
Dues	400	400	-	400
Circuit court jurors	15,000	15,000	2,771	12,229
Office Supplies	1,200	1,200	410	790
Maintenance Contracts	1,200	1,200	329	871
Circuit court expense	1,200	1,200	1,175	25
Miscellaneous	500	500	259	241
Equipment	5,000	5,000	4,906	94
	164,700	164,700	126,909	37,791
State Attorney				
States Attorney salary	128,959	128,959	131,334	(2,375)
Secretary salary	50,330	50,330	53,411	(3,081)
Assistant States Attorney	57,000	57,000	54,625	2,375
Salary-part-time	5,800	5,800	2,816	2,984
Dues	1,500	1,500	275	1,225
Photocopy supplies	1,500	1,500	1,151	349
Office Supplies	2,500	2,500	3,618	(1,118)
Appellate Service	7,000	7,000	7,000	-
Travel	3,750	3,750	2,821	929
Postage	1,250	1,250	1,315	(65)
Miscellaneous	5,000	5,000	8,143	(3,143)
	264,589	264,589	266,509	(1,920)
Subtotal judiciary and legal carried forward	676,292	676,292	637,101	39,191

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS-Concluded
GENERAL FUND
November 30, 2009

	Budget Amounts Original	Budget Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Subtotal judiciary and legal carried forward	$676,292	$676,292	$637,101	$39,191
Judicial Security				
Salary	64,000	64,000	66,791	(2,791)
Travel	1,500	1,500	1,041	459
Laundry Services	400	400	454	(54)
Training	100	100	-	100
Uniforms	400	400	-	400
Equipment	400	400	108	292
	66,800	63,400	68,394	(1,594)
Total judiciary and legal	$743,092	$743,092	$705,495	$37,597
HEALTH AND WELFARE				
Health insurance	270,000	270,000	296,101	(26,101)
Total health and welfare	$270,000	$270,000	$296,101	$(26,101)
OTHER				
Superintendent of Education				
County's share of office	$39,202	$39,202	$35,018	$ 4,184
County portion of other programs				
SIEG agent	48,000	48,000	47,699	301
Merit board	500	500	150	350
Other	8,900	8,900	3,992	4,908
	57,400	57,400	57,841	5,559
Total other	$ 96,602	$ 96,602	$ 86,859	$ 9,743
Total expenditures	$3,574,991	$3,574,991	$3,187,766	$387,225
Excess (Deficiency) of revenues over Expenditures	(100,691)	(100,691)	345,394	446,085
Other financing sources (uses):				
Operating transfers out	(37,000)	(37,000)	(31,800)	5,200
Total other financing sources	(37,000)	(37,000)	(31,800)	5,200
Excess (Deficiency) of revenues and other Financing sources over expenditures	(137,691)	(137,691)	313,594	451,285

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
MAJOR SPECIAL REVENUE FUNDS
November 30, 2009

	Liability Insurance				County Highway			
	Budgeted Amounts			Variance with Final Budget	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive(Negative)	Original	Final	Actual	Positive(Negative)
Property and replacement taxes	$526,000	$526,000	$459,247	$ (66,753)	$186,850	$186,850	$180,635	$ (6,215)
Service fee, fines, licenses and commissions	-	-	-	-	140,000	140,000	94,951	(45,049)
Interest income	3,400	3,400	4,010	610	1,150	1,150	344	(806)
Equipment rental	-	-	-	-	600,000	600,000	472,600	(127,400)
Other receipts and reimbursements	1,000	1,000	-	(1,000)	45,000	45,000	34,057	(10,943)
Total revenues	530,400	530,400	463,257	(67,143)	973,000	973,000	782,587	(190,413)
Highways and streets	-	-	-	-	938,523	938,523	724,843	213,680
Other expenditures and reimbursements	615,935	615,935	339,249	276,686	-	-	-	-
Total expenditures	615,935	615,935	339,249	276,686	938,523	938,523	724,843	213,680
Excess of revenues over expenditures	(85,535)	(85,535)	124,008	209,543	34,477	34,477	57,744	23,267
Other financing sources(uses):								
Transfers in	-	-	44,705	44,705	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources(uses)	-	-	44,705	44,705	-	-	-	-
Net change in fund balances	$(85,535)	$(85,535)	168,713	$ 254,248	$ 34,477	$34,477	57,744	$ 23,267
Fund balance, beginning of year			808,422				17,930	
Fund balance, end of year			$977,135				$ 75,674	

UNION COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
MAJOR SPECIAL REVENUE FUNDS-CONTINUED
November 30, 2009

	Revolving Loan Fund			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive(Negative)
Interest Income	$ -	$ -	$ 6,855	$ 6,855
Total revenues	-	-	6,855	6,855
Administrative	-	-	43,787	43,787
Total expenditures	-	-	43,787	43,787
Excess of revenues over expenditures	-	-	(36,932)	(36,932)
Net change in fund balances	$ -	$ -	(36,932)	$ (36,932)
Fund balance, beginning of year			229,778	
Fund balance, end of year			$ 192,846	

OTHER SUPPLEMENTARY INFORMATION

UNION COUNTY, ILLINOIS
COMBINING BALANCE SHEET-CASH BASIS
NONMAJOR GOVERNMENTAL FUND
November 30, 2009

	Special Revenue Funds							
	Other General Government	Other Highways and Streets	Public Safety & Judiciary	Health & Welfare	Other	Grant Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Assets:								
Cash and cash equivalents	$14,319	$659,660	$427,746	$119,300	$685,916	$4,780	$222,891	$2,134,612
Total Assets	$14,319	$659,660	$427,746	$119,300	$685,916	$4,780	$222,891	$2,134,612
Fund Balances								
Reserved	-	-	-	-	-	4,780	222,891	227,671
Unreserved, undesignated	14,319	659,660	427,746	119,300	685,916	-	-	1,906,941
Total Fund Balances	14,319	659,660	427,746	119,300	685,916	4,780	222,891	2,134,612
Total Liabilities and Fund Balances	$ 14,319	$659,660	$427,746	$119,300	$685,916	$4,780	$222,891	$2,134,612

UNION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED November 30, 2009

	Other General Government	Other Highways and Streets	Public Safety & Judiciary	Health & Welfare	Other	Grant Fund	Debt Service Fund	Total
Revenues:								
Public safety tax	$ -	$ -	$225,941	$ -	$ -	$ -	$ -	$ 225,941
Property and replacement taxes	-	794,457	-	131,471	1,359,355	-	458,294	2,743,577
Fees and fines	42,311	-	178,247	-	86,305	-	-	306,863
Interest income	127	3,476	2,845	587	3,078	86	2,140	12,339
Intergovernmental revenue	-	50,258	-	-	-	-	-	50,258
Salary reimbursements	-	44,684	-	-	-	-	-	44,684
Motor fuel tax allotments	-	885,371	-	-	-	-	-	885,371
Grants and entitlements	-	-	190,235	-	-	-	-	190,235
Other receipts and reimbursements	19,442	246,109	6,244	61,439	2,571	-	-	335,805
Total Revenues	61,880	2,024,355	603,512	193,497	1,456,309	86	460,434	4,795,073
Expenditures:								
Administrative	-	-	-	49,141	-	-	-	49,141
Salaries and labor	10,543	743,354	238,653	23,796	15,256	-	-	1,031,602
Fringe benefits	-	73,350	10,892	-	-	-	-	84,242
Materials and supplies	-	-	31,361	108,125	-	-	-	139,486
Construction and maintenance	-	926,308	-	-	-	-	-	926,308
Public health	-	-	-	18,236	-	-	-	18,236
Equipment purchases	-	-	99,147	-	1,305	-	-	100,452
Other expenditures and reimbursements	61,098	16,738	182,411	2,670	112,678	-	267,575	643,170
Retirement and social security	-	-	-	2,511	735,476	-	-	737,987
Total Expenditures	71,641	1,759,750	562,464	204,479	864,715	-	267,575	3,730,624
Excess (Deficiency) of Revenues Over Expenditures	(9,761)	264,605	41,048	(10,982)	586,594	86	192,859	1,064,449
Other Financing Sources (Uses):								
Transfers in	-	100,000	9,700	-	47,736	-	-	157,436
Transfers out	-	(100,000)	-	-	(89,341)	-	-	(189,341)
Total Other Financing Sources (Uses)	-	-	9,700	-	(41,605)	-	-	(31,905)
Net change in fund balances	(9,761)	264,605	50,748	(10,982)	544,989	86	192,859	1,032,544
Fund balances-beginning	24,080	395,055	376,998	130,282	140,927	4,694	30,032	1,102,068
Fund balances-ending	$14,319	$659,660	$427,746	$119,300	$685,916	$4,780	$222,891	$2,134,612

UNION COUNTY, ILLINOIS
COMBINING BALANCE SHEET-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-OTHER GENERAL GOVERNMENT
November 30, 2009

	Automation Fee Treasurer	Automation Fee County Clerk	GIS Fund	Totals
Assets				
Cash and cash equivalents	$5,872	$6,040	$2,407	$14,319
Total assets	5,872	6,040	2,407	14,319
Fund balance				
Unreserved	5,872	6,040	2,407	14,319
Total fund balance	$5,872	$6,040	$2,407	$14,319

UNION COUNTY, ILLINOIS
BALANCE SHEET-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-OTHER HIGHWAYS AND STREETS
November 30, 2009

	Hard Road	County Bridge	Federal Aid Matching	County Unit Road District	County Unit Road District-Bridge	County Motor Fuel Tax	County Unit Road District-MFT	Township Bridge	Totals
Assets									
Cash and cash equivalents	$42,293	$98,153	$63,928	$139,242	$72,363	$47,432	$79,290	$116,959	$659,660
Total assets	42,293	98,153	63,928	139,242	72,363	47,432	79,290	116,959	659,660
Fund balances									
Unreserved	42,293	98,153	63,928	139,242	72,363	47,432	79,290	116,959	659,660
Total fund balance	$42,293	$98,153	$63,928	$139,242	$72,363	$47,432	$79,290	$116,959	$659,660

UNION COUNTY, ILLINOIS
BALANCE SHEET-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-PUBLIC SAFETY AND JUDICIARY
November 30, 2009

	Public Safety	Law Enforcement Drug Fund	Court Automation Fee	Law Library	State's Attorney Drug Fund	Court Document Storage	Sheriff DUI Fund	Totals
Assets								
Cash and cash equivalents	$50,568	$49,503	$174,159	$15,239	$4,817	$123,760	$9,700	$427,746
Total assets	50,568	49,503	174,159	15,239	4,817	123,760	9,700	427,746
Fund balance								
Unreserved	50,568	49,503	174,159	15,239	4,817	123,760	9,700	427,746
Total fund balance	$50,568	$49,503	$174,159	$15,239	$4,817	$123,760	$9,700	$427,746

UNION COUNTY, ILLINOIS
BALANCE SHEET-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-HEALTH AND WELFARE
November 30, 2009

	Southern Seven Health Fund	General Assistance	Glakin Tuberculosis	Arrestee Medical Cost Fund	Totals
Assets					
Cash and cash equivalents	$2,979	$101,193	$4,316	$10,812	$119,300
Total assets	2,979	101,193	4,316	10,812	119,300
Fund Balance					
Unreserved	2,979	101,193	4,316	10,812	119,300
Total fund balance	$2,979	$101,193	$4,316	$10,812	$119,300

UNION COUNTY, ILLINOIS
BALANCE SHEET-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-OTHER
November 30, 2009

	Illinois Municipal Retirement	Cooperative Extension Fund	County Tourism	Indemnity Fund	Hotel/ Motel Tax	Cemetery Fund	Totals
Assets							
Cash and cash equivalents	$611,579	$17,109	$17,308	$33,339	$6,355	$226	$685,916
Total Assets	611,579	17,109	17,308	33,339	6,355	226	685,916
Fund balance							
Unreserved	611,579	17,109	17,308	33,339	6,355	226	685,916
Total fund balances	$611,579	$17,109	$17,308	$33,339	$6,355	$226	$685,916

UNION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-OTHER GENERAL GOVERNMENT
November 30, 2009

	Automation Fee Treasurer	Automation Fee County Clerk	GIS Fund	Totals
Revenue received				
Fees and fines	$7,811	$ -	$34,500	$42,311
Interest income	76	51	-	127
Other receipts and reimbursements	-	19,442	-	19,442
Total revenues received	7,887	19,493	34,500	61,880
Expenditures				
Salaries and labor	10,543	-	-	10,543
Other expenditures and reimbursements	1,715	22,360	37,023	61,098
Total expenditures	12,258	22,360	37,023	71,641
Excess (Deficiency) of revenue received over expenditures disbursed	(4,371)	(2,867)	(2,523)	(9,761)
Fund balance, December 1, 2008	10,243	8,907	4,930	24,080
Fund balance, November 30, 2009	$5,872	$6,040	$2,407	$14,319

UNION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-OTHER HIGHWAYS AND STREETS
November 30, 2009

	Hard Road	County Bridge	Federal Aid Matching	County Unit Road District	County Unit Road District-Bridge	County Motor Fuel Tax	County Unit Road District-MFT	Township Bridge	Totals
Revenue received									
Property and replacement tax	$111,811	$111,811	$111,811	$340,853	$ 118,171	$ -	$ -	$ -	$794,457
Interest income	451	175	508	642	122	1,084	411	83	3,476
Intergovernmental revenue	-	-	-	-	-	-	-	50,258	50,258
Salary reimbursements	-	-	-	-	-	44,684	-	-	44,684
Motor fuel tax allotments	-	-	-	-	-	366,666	518,705	-	885,371
Other receipts and reimbursements	-	11,733	-	99,735	-	33,678	100,963	-	246,109
Total revenues received	112,262	123,719	112,319	441,230	118,293	446,112	620,079	50,341	2,024,355
Expenditures									
Salaries and labor	6,274	15,937	48,000	74,559	21,191	235,987	341,406	-	743,354
Fringe benefits	1,005	596	-	-	4,228	24,237	43,284	-	73,350
Construction and maintenance	69,358	20,818	35,000	157,781	61,070	271,614	308,418	2,249	926,308
Other expenditures & reimbursements	-	-	-	15,629	-	1,109	-	-	16,738
Total expenditures	76,637	37,351	83,000	247,969	86,489	532,947	693,108	2,249	1,759,750
Excess(Deficiency) of revenue received									
Over expenditures disbursed	35,625	86,368	29,319	193,261	31,804	(86,835)	(73,029)	48,092	264,605
Other financing sources(uses):									
Transfers in	-	-	-	-	-	-	100,000	-	100,000
Transfers out	-	-	-	(100,000)	-	-	-	-	(100,000)
Total other financing sources(uses)	-	-	-	(100,000)	-	-	100,000	-	-
Net change in fund balances	35,625	86,368	29,319	93,261	31,804	(86,835)	26,971	48,092	264,605
Fund balance, December 1, 2008	6,668	11,785	34,609	45,981	40,559	134,267	52,319	68,867	395,055
Fund balance, November 30, 2009	$42,293	$98,153	$63,928	$139,242	$72,363	$47,432	$79,290	$116,959	$659,660

UNION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS-PUBLIC SAFETY AND JUDICIARY
November 30, 2009

	Public Safety	Law Enforcement Drug Fund	Court Automation Fee	Law Library	State's Attorney Drug Fund	Court Document Storage	Sheriff's DUI Fund	Totals
Revenue received								
Public safety tax	$225,941	$ -	$ -	$ -	$ -	$ -	$ -	$225,941
Fees and fines	-	-	82,562	10,142	-	73,319	12,404	178,427
Interest income	284	-	1,639	108	15	715	84	2,845
Grants and entitlements	-	190,235	-	-	-	-	-	190,235
Other receipts and reimbursements	-	1,054	-	-	5,010	-	-	6,064
Total revenues received	226,225	191,289	84,201	10,250	5,025	74,034	12,488	603,512
Expenditures								
Salaries and labor	202,524	-	1,412	-	-	34,717	-	238,653
Fringe benefits	10,892	-	-	-	-	-	-	10,892
Equipment purchases	13,228	-	20,814	-	603	53,771	10,731	99,147
Materials and supplies	-	-	14,378	16,983	-	-	-	31,361
Other expenditures and reimbursements	7,346	175,065	-	-	-	-	-	182,411
Total expenditures	233,990	175,065	36,604	16,983	603	88,488	10,731	562,464
Excess(Deficiency) of revenue received over expenditures disbursed	(7,765)	16,224	47,597	(6,733)	4,422	(14,454)	1,757	41,048
Other financing sources(uses):								
Transfers in	-	9,700	-	-	-	-	-	9,700
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources(uses)	-	9,700	-	-	-	-	-	9,700
Net change in fund balances	(7,765)	25,924	47,597	(6,733)	4,422	(14,454)	1,757	50,748
Fund balance, December 1, 2008	58,333	23,579	126,562	21,972	395	138,214	7,943	376,998
Fund balance, November 30, 2009	$ 50,568	$ 49,503	$174,159	$ 15,239	$ 4,817	$123,760	$ 9,700	$427,746

UNION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-CASH BASIS NONMAJOR GOVERNMENTAL FUNDS-HEALTH AND WELFARE
November 30, 2009

	Southern Seven Health Fund	General Assistance	Glakin Tuberculosis	Arrestee Medical Cost Fund	Totals
Revenues received					
Property and replacement tax	$102,219	$ 8,598	$20,654	$ -	$131,471
Interest income	39	436	46	66	587
Other receipts and reimbursements	-	56,259	-	5,180	61,439
Total revenues received	102,258	65,293	20,700	5,246	193,497
Expenditures					
Administration	-	49,141	-	-	49,141
Salaries and labor	-	23,796	-	-	23,796
Retirement and social security	-	2,511	-	-	2,511
Materials and supplies	105,209	2,916	-	-	108,125
Public health	-	-	18,236	-	18,236
Miscellaneous	-	2,670	-	-	2,670
Total expenditures	105,209	81,034	18,236	-	204,479
Excess (Deficiency) of revenue received over expenditures disbursed	(2,951)	(15,741)	2,464	5,246	(10,982)
Fund balance, December 1, 2008	5,930	116,934	1,852	5,566	130,282
Fund balance, November 30, 2009	$ 2,979	$101,193	$4,316	$10,812	$119,300

UNION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CASH BASIS-NONMAJOR GOVERNMENTAL FUNDS-OTHER
November 30, 2009

	Illinois Municipal Retirement	Cooperative Extension Fund	County Tourism	Indemnity Fund	Hotel/ Motel Tax	Cemetery Fund	Totals
Revenue received							
Property and replacement taxes	$1,289,757	$69,780	$ -	$ -	$ -	$ -	$1,359,355
Fees and fines	-	-	-	5,080	81,225	-	86,305
Interest income	2,386	24	187	330	145	6	3,078
Other receipts and reimbursements	2,511	-	60	-	-	-	2,571
Total revenues received	1,294,472	69,804	247	5,410	81,370	6	1,451,309
Expenditures							
Equipment purchases	-	-	-	-	-	1,305	1,305
Salaries and labor	4,652	-	-	-	-	10,604	15,256
Retirement and social security	735,476	-	-	-	-	-	735,476
Other expenditures and reimbursements	229	55,484	47,048	-	9,917	-	112,678
Total expenditures	740,357	55,484	47,048	-	9,917	11,909	864,715
Excess (Deficiency) of revenue received over expenditures disbursed	554,115	14,320	(46,801)	5,410	71,453	(11,903)	586,594
Other financing sources (used):							
Transfers in	-	-	35,736	-	-	12,000	47,736
Transfers out	-	-	-	-	(89,341)	-	(89,341)
Total other financing sources (used)	-	-	35,736	-	(89,341)	12,000	(41,605)
Net change in fund balances	554,115	14,320	(11,065)	5,410	(17,888)	97	544,989
Fund balance, December 1, 2008	57,464	2,789	28,373	27,929	24,243	129	140,927
Fund balance, November 30, 2009	$611,579	$17,109	$17,308	$33,339	$ 6,355	$ 226	$685,916

IMRF TREND INFORMATION

UNION COUNTY, ILLINOIS
IMRF REQUIRED SUPLLEMENTAL INFORMATION
ELECTED COUNTY OFFICIALS

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	50,064	100%	$ -
12/31/2008	48,512	100%	$ -
12/31/2007	83,616	100%	$ -
12/31/2006	111,713	100%	$ -
12/31/2005	102,004	100%	$ -
12/31/2004	93,221	100%	$ -
12/31/2003	101,159	100%	$ -
12/31/2002	92,845	100%	$ -
12/31/2001	120,268	100%	$ -
12/31/2000	107,663	100%	$ -

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage
12/31/2009	1,279,965	1,613,672	333,707	79.32%	379,481	87.94%
12/31/2008	1,240,279	1,466,736	226,460	84.56%	385,324	58.77%
12/31/2007	1,562,816	1,628,478	65,662	95.97%	376,141	17.46%
12/31/2006	1,642,774	1,366,115	(276,659)	120.25%	338,114	0.00%
12/31/2005	1,507,027	1,765,859	258,832	85.34%	348,970	74.17%
12/31/2004	1,217,937	1,829,340	611,403	66.58%	301,297	202.92%
12/31/2003	1,162,042	1,824,790	662,748	63.68%	349,427	189.67%
12/31/2002	1,093,531	1,835,208	741,677	59.59%	343,617	215.84%
12/31/2001	1,066,533	1,712,385	645,852	62.28%	333,799	193.49%
12/31/2000	1,059,185	1,582,462	523,277	66.93%	309,733	168.94%

UNION COUNTY, ILLINOIS
IMRF REQUIRED SUPLLEMENTAL INFORMATION
SHERRIF'S LAW ENFORCEMENT PERSONNEL (SLEP)

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	18,713	100%	$ -
12/31/2008	16,257	100%	$ -
12/31/2007	38,871	100%	$ -
12/31/2006	78,247	100%	$ -
12/31/2005	67,584	100%	$ -
12/31/2004	64,057	100%	$ -
12/31/2003	29,408	100%	$ -
12/31/2002	30,722	100%	$ -
12/31/2001	24,431	100%	$ -
12/31/2000	18,395	100%	$ -

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage
12/31/2009	2,344,124	2,645,738	301,614	88.60%	631,792	47.74%
12/31/2008	2,038,369	2,706,321	667,952	75.32%	622,858	107.24%
12/31/2007	2,366,028	2,345,964	(20,064)	100.86%	560,909	0.00%
12/31/2006	2,347,612	2,129,927	(217,685)	110.22%	588,763	0.00%
12/31/2005	2,136,963	2,045,499	(91,464)	104.47%	513,166	0.00%
12/31/2004	1,964,550	1,942,270	(22,280)	101.15%	450,428	0.00%
12/31/2003	1,770,403	1,751,479	(18,924)	101.08%	453,131	0.00%
12/31/2002	1,680,122	1,721,449	41,327	97.60%	491,551	8.14%
12/31/2001	1,730,574	1,464,867	(265,707)	118.14%	458,372	0.00%
12/31/2000	1,488,974	1,222,804	(266,170)	121.77%	421,901	0.00%

UNION COUNTY, ILLINOIS
IMRF REQUIRED SUPLLEMENTAL INFORMATION
ALL OTHER IMRF PERSONNEL

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	217,411	100%	$ -
12/31/2008	212,923	100%	$ -
12/31/2007	215,363	100%	$ -
12/31/2006	209,724	100%	$ -
12/31/2005	191,895	100%	$ -
12/31/2004	183,459	100%	$ -
12/31/2003	143,116	100%	$ -
12/31/2002	186,729	100%	$ -
12/31/2001	190,860	100%	$ -
12/31/2000	204,010	100%	$ -

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage
12/31/2009	5,671,413	6,947,822	1,276,409	81.63%	2,203,983	57.91%
12/31/2008	5,489,200	7,024,885	1,535,685	78.14%	2,190,571	70.10%
12/31/2007	6,202,015	6,534,826	332,811	94.91%	2,094,967	15.89%
12/31/2006	5,845,624	6,309,255	463,631	92.65%	1,980,401	23.41%
12/31/2005	5,535,035	6,155,533	620,498	89.92%	1,960,113	31.66%
12/31/2004	5,255,058	5,933,678	678,620	88.56%	2,033,912	33.37%
12/31/2003	5,220,666	5,598,375	377,709	93.25%	1,880,629	20.08%
12/31/2002	5,342,025	5,454,071	112,046	97.95%	1,891,886	5.92%
12/31/2001	5,301,771	5,135,716	(166,055)	103.23%	1,797,180	0.00%
12/31/2000	4,790,799	4,820,381	29,582	99.39%	1,742,183	1.70%

APPENDIX C

Specimen Insurance Policy

ASSURED GUARANTY
MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.
(FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.)

By ______________________________
Authorized Officer

APPENDIX D

Bond Counsel Form of Opinion

September 29, 2010

County of Union, Illinois
Jonesboro, Illinois

Bernardi Securities, Inc.
Chicago, Illinois

Re: County of Union, Illinois
$1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment))
$12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment))
$725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the County of Union, Illinois (the "County") of $1,070,000 of its Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment)) (the "Series 2010A Bonds"), its $12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment)) (the "Series 2010B Bonds") and its $725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C. We have examined the law and the certified transcript of proceedings of the County relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding general obligations of the County.

2. The Bonds are payable as to principal and interest from (i) the one percent (1%) county-wide sales tax that was approved via referendum on February 2, 2010 for purposes of public facilities (the "Sales Taxes"), (ii) the County's receipts of State of Illinois Income Taxes and share of County Sales Taxes, distributed pursuant to applicable law, and (iii) ad valorem taxes levied against all taxable property within the County without limitation as to rate or amount (the "Pledged Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws

affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion.

The opinion set forth herein express the professional judgment of the attorneys participating in the transaction as to the legal issues addressed herein. By rendering such opinion, the undersigned does not become an insurer or guarantor of that expression of professional judgment or of the transaction opined upon. Nor does the rendering that of opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

This opinion is intended to comply with the United States Treasury Department Circular 230, revised and effective as of June 21, 2005. Investors are urged to obtain independent tax advice regarding the Bonds based upon their particular circumstances. This opinion was written to support the promotion or marketing of the Bonds. This opinion was not intended or written to be used, and cannot be used, to avoid federal tax penalties.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds, and we express no opinion thereon.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity; and (ii) the valid exercise of the constitutional powers of the State of Illinois and the United States of America.

Very truly yours,

C/98721.2

APPENDIX E

Feasibility Report
Austin Meade Financial Ltd.

UNION COUNTY, ILLINOIS

Sales, Income and Local Use Tax Revenues

FEASIBILITY REPORT

Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A
(Recovery Zone Economic Development Bonds)

Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010B
(Build America Bonds)

Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010C

Prepared By: Austin Meade Financial, Ltd.

Dated: September 21, 2010

AMF

Austin Meade Financial Ltd.
8 South 180 Dunham
Naperville, Illinois 60540
312.953.4727

September 21, 2010

Board of Commissioners
Union County, Illinois

Austin Meade Financial Ltd. has reviewed the receipts of Union County, Illinois (the *"County"*) relating to the County Sales Taxes, Income Taxes, and Local Use Taxes (collectively, the *"Pledged Sales and Income Taxes"*), and Rebates on the Recovery Zone and Build America Bonds (the *"Pledged Rebates"* and with the Pledged Sales Taxes the *"Pledged Revenues"*). Based on our review, we determined the future Pledged Revenues for the next thirty-three (33) years that the County should reasonably expect to collect. The Pledged Revenues are intended to repay the following bonds of the County to be issued on September 29, 2010:

Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds)
Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds)
Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C (collectively, the *"Bonds"*)

The Bonds were approved by the County's Board of Commissioners on September 7, 2010.

The Projected Pledged Revenues and the Debt Service Coverage are summarized on Schedule 1. Background information about the Projected Pledged Revenues and risk factors are included in this Report.

The following summarizes Austin Meade's conclusions.

(1) This Report provides a reasonable estimate of the Projected Pledged Revenues to be generated received by the County for future years.

(2) The underlying assumptions provide a reasonable basis for future estimates. However, some assumptions inevitably may be altered or will

not materialize and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast may vary, and the variations may be material.

(3) The Pledged Sales and Income Taxes are projected to be $2,424,585 as noted on Schedule 2.

(4) As noted on Schedule 1, the Pledged Revenues for the Bonds provide a minimum of 125% coverage on the related net debt service.

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AUSTIN MEADE FINANCIAL LTD.

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Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

TABLE OF CONTENTS

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

FINANCIAL PROJECTIONS

Page

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 1 Calculation of Debt Service Coverage

	Pledged Revenues			Projected Debt Service			
Bond Year (March 1)	Pledged Sales and Income Taxes	Pledged Rebate	Total	Series 2006	Total Series 2010	Total	Projected Coverage
2012	2,424,585	0	2,424,585	82,670	482,114	564,784	429.29%
2013	2,424,585	461,326	2,885,911	82,670	1,210,030	1,292,700	223.25%
2014	2,424,585	324,370	2,748,955	82,670	1,075,100	1,157,770	237.44%
2015	2,424,585	324,370	2,748,955	182,670	1,071,058	1,253,728	219.26%
2016	2,424,585	324,370	2,748,955	183,670	1,179,235	1,362,905	201.70%
2017	2,424,585	322,704	2,747,289	354,418	1,174,203	1,528,620	179.72%
2018	2,424,585	319,193	2,743,778	362,938	1,172,588	1,535,525	178.69%
2019	2,424,585	315,127	2,739,712	355,338	1,164,420	1,519,758	180.27%
2020	2,424,585	310,519	2,735,104	352,375	1,160,155	1,512,530	180.83%
2021	2,424,585	305,526	2,730,111	354,263	1,154,715	1,508,978	180.92%
2022	2,424,585	300,122	2,724,707	0	1,148,135	1,148,135	237.32%
2023	2,424,585	294,319	2,718,904	0	1,145,240	1,145,240	237.41%
2024	2,424,585	288,056	2,712,641	0	1,135,985	1,135,985	238.79%
2025	2,424,585	281,317	2,705,902	0	1,130,315	1,130,315	239.39%
2026	2,424,585	274,082	2,698,667	0	1,127,885	1,127,885	239.27%
2027	2,424,585	266,232	2,690,817	0	1,113,785	1,113,785	241.59%
2028	2,424,585	257,797	2,682,382	0	1,106,895	1,106,895	242.33%
2029	2,424,585	248,385	2,672,970	0	1,097,225	1,097,225	243.61%
2030	2,424,585	238,001	2,662,586	0	1,086,175	1,086,175	245.13%
2031	2,424,585	227,133	2,651,718	0	1,078,573	1,078,573	245.85%
2032	2,424,585	215,722	2,640,307	0	1,063,534	1,063,534	248.26%
2033	2,424,585	203,459	2,628,044	0	1,051,015	1,051,015	250.05%
2034	2,424,585	190,327	2,614,912	0	1,036,684	1,036,684	252.24%
2035	2,424,585	176,561	2,601,146	0	1,025,359	1,025,359	253.68%
2036	2,424,585	162,097	2,586,682	0	1,007,040	1,007,040	256.86%
2037	2,424,585	146,936	2,571,521	0	996,546	996,546	258.04%
2038	2,424,585	131,013	2,555,598	0	978,696	978,696	261.12%
2039	2,424,585	114,265	2,538,850	0	963,490	963,490	263.51%
2040	2,424,585	96,693	2,521,278	0	945,746	945,746	266.59%
2041	2,424,585	78,233	2,502,818	0	935,103	935,103	267.65%
2042	2,424,585	58,758	2,483,343	0	805,081	805,081	308.46%
2043	2,424,585	38,699	2,463,284	0	886,849	886,849	277.76%

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 2 Calculation of Pledged Sales and Income Taxes

State Fiscal Year	Countywide Sales Tax (1)	County Sales Tax (1)	County Sales Tax for Public Safety (1)	Income Tax (2)	Local Use Tax (2)	Total
2010	288,676.94	132,083.36	244,038.57	676,815.00	106,816.93	1,448,430.80
2009	268,639.25	125,390.07	227,183.51	770,765.98	126,581.76	1,518,560.57
2008	272,975.29	123,988.29	222,498.62	838,384.86	125,039.85	1,582,886.91
2007	273,056.91	135,463.44	222,577.00	772,760.64	115,435.33	1,519,293.32
2006	283,508.12	173,787.76	217,826.42	704,314.02	107,599.07	1,487,035.39
Average	277,371.30	138,142.58	226,824.82	752,608.10	116,294.59	1,511,241.40

Calculation of Pledged Sales and Income Taxes

Most Recent Fiscal Year Collections	1,448,430.80
Projected County Public Facilities Sales Tax (3)	976,154.28
Total	2,424,585.08

(1) Source: Illinois Department of Revenue, Sales Tax Fiscal Year Total Disbursements to Local Governments. The report details sales tax distributions to Union County from July 1 to June 30 for each fiscal year. These distributions are for sales taxes collected by the State from May 1 through April 30th. Sales taxes are distributed to local governments two months after they are collected by the State.

(2) Source. Illinois Department of Revenue, Income and Local Use Tax Fiscal Year Total Disbursements to Local Governments. The report details income and local use taxes distributed to Union County from July 1 to June 30 for each fiscal year. These distributions are for sales taxes collected by the State from May 1 through April 30th. Income and local taxes are based on the portion of each respective tax allocated to local governments throughout Illinois. The amount allocated to Union County is based on the number of residents at the most recent census living in the unincorporated areas of the County to the total population of the State of Illinois.

(3) The County Public Facilities Sales Tax began to be collected on July 1, 2010. The tax is one percent (1%) of applicable sales. The sales base is the same as the County Sales Tax for Public Safety. Since the County Sales Tax for Public Safety is 0.25%, the Projected Annual Receipts for the County Public Facilities Sales Tax is projected to be four times the actual collections of the County Sales Tax for Public Safety.

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 3 Summary of Proposed Debt Service on the Bonds

Bond Year (March 1)	Debt Service on Taxable General Obligation Bonds Series 2010A	Series 2010B	Series 2010C	Capitalized Interest	Total	Rebate on Taxable Bonds Series 2010A	Series 2010B	Total
2012	113,372	1,172,309	121,458	(925,025)	482,114	0	0	0
2013	79,715	824,280	306,035	0	1,210,030	51,018	410,308	461,326
2014	79,715	824,280	171,105	0	1,075,100	35,872	288,498	324,370
2015	79,715	824,280	167,063	0	1,071,058	35,872	288,498	324,370
2016	79,715	1,099,520	0	0	1,179,235	35,872	288,498	324,370
2017	79,715	1,094,488	0	0	1,174,203	35,872	286,832	322,704
2018	79,715	1,092,873	0	0	1,172,588	35,872	283,321	319,193
2019	79,715	1,084,705	0	0	1,164,420	35,872	279,255	315,127
2020	79,715	1,080,440	0	0	1,160,155	35,872	274,647	310,519
2021	79,715	1,075,000	0	0	1,154,715	35,872	269,654	305,526
2022	79,715	1,068,420	0	0	1,148,135	35,872	264,250	300,122
2023	79,715	1,065,525	0	0	1,145,240	35,872	258,447	294,319
2024	79,715	1,056,270	0	0	1,135,985	35,872	252,184	288,056
2025	79,715	1,050,600	0	0	1,130,315	35,872	245,445	281,317
2026	79,715	1,048,170	0	0	1,127,885	35,872	238,210	274,082
2027	79,715	1,034,070	0	0	1,113,785	35,872	230,360	266,232
2028	79,715	1,027,180	0	0	1,106,895	35,872	221,925	257,797
2029	79,715	1,017,510	0	0	1,097,225	35,872	212,513	248,385
2030	79,715	1,006,460	0	0	1,086,175	35,872	202,129	238,001
2031	79,715	998,858	0	0	1,078,573	35,872	191,261	227,133
2032	79,715	983,819	0	0	1,063,534	35,872	179,850	215,722
2033	79,715	971,300	0	0	1,051,015	35,872	167,587	203,459
2034	79,715	956,969	0	0	1,036,684	35,872	154,455	190,327
2035	79,715	945,644	0	0	1,025,359	35,872	140,689	176,561
2036	79,715	927,325	0	0	1,007,040	35,872	126,225	162,097
2037	79,715	916,831	0	0	996,546	35,872	111,064	146,936
2038	79,715	898,981	0	0	978,696	35,872	95,141	131,013
2039	79,715	883,775	0	0	963,490	35,872	78,393	114,265
2040	79,715	866,031	0	0	945,746	35,872	60,821	96,693
2041	79,715	855,388	0	0	935,103	35,872	42,361	78,233
2042	286,706	518,375	0	0	805,081	35,872	22,886	58,758
2043	886,849	0	0	0	886,849	32,268	6,431	38,699

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 4 Debt Service Schedule for Series 2010A Bonds

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
9/29/2010	-	-	-	-	-
9/01/2011	-	-	73,514.94	73,514.94	-
3/01/2012	-	-	39,857.50	39,857.50	113,372.44
9/01/2012	-	-	39,857.50	39,857.50	-
3/01/2013	-	-	39,857.50	39,857.50	79,715.00
9/01/2013	-	-	39,857.50	39,857.50	-
3/01/2014	-	-	39,857.50	39,857.50	79,715.00
9/01/2014	-	-	39,857.50	39,857.50	-
3/01/2015	-	-	39,857.50	39,857.50	79,715.00
9/01/2015	-	-	39,857.50	39,857.50	-
3/01/2016	-	-	39,857.50	39,857.50	79,715.00
9/01/2016	-	-	39,857.50	39,857.50	-
3/01/2017	-	-	39,857.50	39,857.50	79,715.00
9/01/2017	-	-	39,857.50	39,857.50	-
3/01/2018	-	-	39,857.50	39,857.50	79,715.00
9/01/2018	-	-	39,857.50	39,857.50	-
3/01/2019	-	-	39,857.50	39,857.50	79,715.00
9/01/2019	-	-	39,857.50	39,857.50	-
3/01/2020	-	-	39,857.50	39,857.50	79,715.00
9/01/2020	-	-	39,857.50	39,857.50	-
3/01/2021	-	-	39,857.50	39,857.50	79,715.00
9/01/2021	-	-	39,857.50	39,857.50	-
3/01/2022	-	-	39,857.50	39,857.50	79,715.00
9/01/2022	-	-	39,857.50	39,857.50	-
3/01/2023	-	-	39,857.50	39,857.50	79,715.00
9/01/2023	-	-	39,857.50	39,857.50	-
3/01/2024	-	-	39,857.50	39,857.50	79,715.00
9/01/2024	-	-	39,857.50	39,857.50	-
3/01/2025	-	-	39,857.50	39,857.50	79,715.00
9/01/2025	-	-	39,857.50	39,857.50	-
3/01/2026	-	-	39,857.50	39,857.50	79,715.00
9/01/2026	-	-	39,857.50	39,857.50	-
3/01/2027	-	-	39,857.50	39,857.50	79,715.00
9/01/2027	-	-	39,857.50	39,857.50	-
3/01/2028	-	-	39,857.50	39,857.50	79,715.00
9/01/2028	-	-	39,857.50	39,857.50	-
3/01/2029	-	-	39,857.50	39,857.50	79,715.00
9/01/2029	-	-	39,857.50	39,857.50	-
3/01/2030	-	-	39,857.50	39,857.50	79,715.00
9/01/2030	-	-	39,857.50	39,857.50	-
3/01/2031	-	-	39,857.50	39,857.50	79,715.00
9/01/2031	-	-	39,857.50	39,857.50	-
3/01/2032	-	-	39,857.50	39,857.50	79,715.00
9/01/2032	-	-	39,857.50	39,857.50	-
3/01/2033	-	-	39,857.50	39,857.50	79,715.00
9/01/2033	-	-	39,857.50	39,857.50	-
3/01/2034	-	-	39,857.50	39,857.50	79,715.00

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 4 (continued) Debt Service Schedule for Series 2010A Bonds

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
9/01/2034	-	-	39,857.50	39,857.50	-
3/01/2035	-	-	39,857.50	39,857.50	79,715.00
9/01/2035	-	-	39,857.50	39,857.50	-
3/01/2036	-	-	39,857.50	39,857.50	79,715.00
9/01/2036	-	-	39,857.50	39,857.50	-
3/01/2037	-	-	39,857.50	39,857.50	79,715.00
9/01/2037	-	-	39,857.50	39,857.50	-
3/01/2038	-	-	39,857.50	39,857.50	79,715.00
9/01/2038	-	-	39,857.50	39,857.50	-
3/01/2039	-	-	39,857.50	39,857.50	79,715.00
9/01/2039	-	-	39,857.50	39,857.50	-
3/01/2040	-	-	39,857.50	39,857.50	79,715.00
9/01/2040	-	-	39,857.50	39,857.50	-
3/01/2041	-	-	39,857.50	39,857.50	79,715.00
9/01/2041	215,000.00	7.450%	39,857.50	254,857.50	-
3/01/2042	-	-	31,848.75	31,848.75	286,706.25
9/01/2042	855,000.00	7.450%	31,848.75	886,848.75	-
3/01/2043	-	-	-	-	886,848.75
Total	1,070,000.00	-	2,528,662.44	3,598,662.44	-

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 5 Debt Service Schedule for Series 2010B Bonds

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
9/29/2010	-	-	-	-	-
9/01/2011	-	-	760,169.33	760,169.33	-
3/01/2012	-	-	412,140.00	412,140.00	1,172,309.33
9/01/2012	-	-	412,140.00	412,140.00	-
3/01/2013	-	-	412,140.00	412,140.00	824,280.00
9/01/2013	-	-	412,140.00	412,140.00	-
3/01/2014	-	-	412,140.00	412,140.00	824,280.00
9/01/2014	-	-	412,140.00	412,140.00	-
3/01/2015	-	-	412,140.00	412,140.00	824,280.00
9/01/2015	280,000.00	3.400%	412,140.00	692,140.00	-
3/01/2016	-	-	407,380.00	407,380.00	1,099,520.00
9/01/2016	285,000.00	3.700%	407,380.00	692,380.00	-
3/01/2017	-	-	402,107.50	402,107.50	1,094,487.50
9/01/2017	295,000.00	4.300%	402,107.50	697,107.50	-
3/01/2018	-	-	395,765.00	395,765.00	1,092,872.50
9/01/2018	300,000.00	4.550%	395,765.00	695,765.00	-
3/01/2019	-	-	388,940.00	388,940.00	1,084,705.00
9/01/2019	310,000.00	4.800%	388,940.00	698,940.00	-
3/01/2020	-	-	381,500.00	381,500.00	1,080,440.00
9/01/2020	320,000.00	5.000%	381,500.00	701,500.00	-
3/01/2021	-	-	373,500.00	373,500.00	1,075,000.00
9/01/2021	330,000.00	5.200%	373,500.00	703,500.00	-
3/01/2022	-	-	364,920.00	364,920.00	1,068,420.00
9/01/2022	345,000.00	5.400%	364,920.00	709,920.00	-
3/01/2023	-	-	355,605.00	355,605.00	1,065,525.00
9/01/2023	355,000.00	5.600%	355,605.00	710,605.00	-
3/01/2024	-	-	345,665.00	345,665.00	1,056,270.00
9/01/2024	370,000.00	5.800%	345,665.00	715,665.00	-
3/01/2025	-	-	334,935.00	334,935.00	1,050,600.00
9/01/2025	390,000.00	6.000%	334,935.00	724,935.00	-
3/01/2026	-	-	323,235.00	323,235.00	1,048,170.00
9/01/2026	400,000.00	6.200%	323,235.00	723,235.00	-
3/01/2027	-	-	310,835.00	310,835.00	1,034,070.00
9/01/2027	420,000.00	6.900%	310,835.00	730,835.00	-
3/01/2028	-	-	296,345.00	296,345.00	1,027,180.00
9/01/2028	440,000.00	6.900%	296,345.00	736,345.00	-
3/01/2029	-	-	281,165.00	281,165.00	1,017,510.00
9/01/2029	460,000.00	6.900%	281,165.00	741,165.00	-
3/01/2030	-	-	265,295.00	265,295.00	1,006,460.00
9/01/2030	485,000.00	6.900%	265,295.00	750,295.00	-
3/01/2031	-	-	248,562.50	248,562.50	998,857.50
9/01/2031	505,000.00	7.250%	248,562.50	753,562.50	-
3/01/2032	-	-	230,256.25	230,256.25	983,818.75
9/01/2032	530,000.00	7.250%	230,256.25	760,256.25	-
3/01/2033	-	-	211,043.75	211,043.75	971,300.00
9/01/2033	555,000.00	7.250%	211,043.75	766,043.75	-
3/01/2034	-	-	190,925.00	190,925.00	956,968.75

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 5 (continued) Debt Service Schedule for Series 2010B Bonds

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
9/01/2034	585,000.00	7.250%	190,925.00	775,925.00	-
3/01/2035	-	-	169,718.75	169,718.75	945,643.75
9/01/2035	610,000.00	7.250%	169,718.75	779,718.75	-
3/01/2036	-	-	147,606.25	147,606.25	927,325.00
9/01/2036	645,000.00	7.250%	147,606.25	792,606.25	-
3/01/2037	-	-	124,225.00	124,225.00	916,831.25
9/01/2037	675,000.00	7.250%	124,225.00	799,225.00	-
3/01/2038	-	-	99,756.25	99,756.25	898,981.25
9/01/2038	710,000.00	7.250%	99,756.25	809,756.25	-
3/01/2039	-	-	74,018.75	74,018.75	883,775.00
9/01/2039	745,000.00	7.250%	74,018.75	819,018.75	-
3/01/2040	-	-	47,012.50	47,012.50	866,031.25
9/01/2040	790,000.00	7.250%	47,012.50	837,012.50	-
3/01/2041	-	-	18,375.00	18,375.00	855,387.50
9/01/2041	500,000.00	7.350%	18,375.00	518,375.00	-
3/01/2042	-	-	-	-	518,375.00
Total	12,635,000.00	-	17,634,674.33	30,269,674.33	-

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 6 Debt Service Schedule for Series 2010C Bonds

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
9/29/2010	-	-	-	-	-
9/01/2011	100,000.00	1.700%	14,465.06	114,465.06	-
3/01/2012	-	-	6,992.50	6,992.50	121,457.56
9/01/2012	295,000.00	2.000%	6,992.50	301,992.50	-
3/01/2013	-	-	4,042.50	4,042.50	306,035.00
9/01/2013	165,000.00	2.400%	4,042.50	169,042.50	-
3/01/2014	-	-	2,062.50	2,062.50	171,105.00
9/01/2014	165,000.00	2.500%	2,062.50	167,062.50	-
3/01/2015	-	-	-	-	167,062.50
Total	725,000.00	-	40,660.06	765,660.06	-

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 7 Sources and Uses on the Series 2010 Bonds

	Series 2010A	Series 2010B	Series 2010C	Total
Par amount of bonds	1,070,000	12,635,000	725,000	14,430,000
Project Fund	1,048,600	11,457,275	0	12,505,875
Capitalized Interest	0	925,025	0	925,025
Costs of Issuance	21,400	252,700	725,000	999,100
Total	1,070,000	12,635,000	725,000	14,430,000

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

Schedule 8 Debt Service Schedule for Series 2006 Bonds

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
12/01/2010	-	-	-	-	-
6/01/2011	-	-	41,335.00	41,335.00	-
12/01/2011	-	-	41,335.00	41,335.00	-
3/01/2012	-	-	-	-	82,670.00
6/01/2012	-	-	41,335.00	41,335.00	-
12/01/2012	-	-	41,335.00	41,335.00	-
3/01/2013	-	-	-	-	82,670.00
6/01/2013	-	-	41,335.00	41,335.00	-
12/01/2013	-	-	41,335.00	41,335.00	-
3/01/2014	-	-	-	-	82,670.00
6/01/2014	-	-	41,335.00	41,335.00	-
12/01/2014	100,000.00	4.000%	41,335.00	141,335.00	-
3/01/2015	-	-	-	-	182,670.00
6/01/2015	-	-	39,335.00	39,335.00	-
12/01/2015	105,000.00	4.050%	39,335.00	144,335.00	-
3/01/2016	-	-	-	-	183,670.00
6/01/2016	-	-	37,208.75	37,208.75	-
12/01/2016	280,000.00	4.100%	37,208.75	317,208.75	-
3/01/2017	-	-	-	-	354,417.50
6/01/2017	-	-	31,468.75	31,468.75	-
12/01/2017	300,000.00	4.200%	31,468.75	331,468.75	-
3/01/2018	-	-	-	-	362,937.50
6/01/2018	-	-	25,168.75	25,168.75	-
12/01/2018	305,000.00	4.250%	25,168.75	330,168.75	-
3/01/2019	-	-	-	-	355,337.50
6/01/2019	-	-	18,687.50	18,687.50	-
12/01/2019	315,000.00	5.750%	18,687.50	333,687.50	-
3/01/2020	-	-	-	-	352,375.00
6/01/2020	-	-	9,631.25	9,631.25	-
12/01/2020	335,000.00	5.750%	9,631.25	344,631.25	-
3/01/2021	-	-	-	-	354,262.50
Total	1,740,000.00	-	653,680.00	2,393,680.00	-

Union County, Illinois
Taxable General Obligation Bonds
(Alternate Revenue Source), Series 2010A, 2010B and 2010C

REPORT ON PROJECTED PLEDGED REVENUES

Austin Meade Financial, Ltd. (*"Austin Meade"*), a nationally recognized and acknowledged expert in Illinois public finance and tax increment finance, has been requested by the Union County, Illinois (the *"County"*) to prepare a feasibility report (the *"Report"*) on the analysis of Projected Pledged Revenues to be collected by the County which is proposed to pay principal and interest on the County's Bonds.

OVERVIEW OF THE COUNTY SALES AND INCOME TAXES

The County has pledged the following revenues to the repayment of the Bonds:

County Sales Tax
Countywide Sales Tax
County Public Safety Sales Tax
County Public Facilities Sales Tax
Local Use Tax
Income Tax
Rebate from Bonds

County Sales and Countywide Sales Taxes are a portion of the Illinois Retailers' Occupation Tax (*"IROT"*) and the Illinois Service Occupation Tax (*"ISOT"*). IROT is imposed by the State of Illinois (the *"State"*) at the rate of 6.25 percent on the sale of most items of nontitled tangible personal property by retailers other than grocery food, drugs and medical appliances. IROT also is applied at a rate of 1.00 percent on the sale of grocery food, drugs and medical appliances. ISOT is imposed by the State at a rate of 6.25 percent on the sale of most items of nontitled tangible personal property by service provider, other than grocery food, drugs, and medical appliances.

The *Illinois Sales Tax* is a combination of IROT that are imposed on sellers' receipts and ISOT that are imposed on amounts paid by purchasers. Sellers owe the occupation tax to the department; they reimburse themselves for this liability by collecting use tax from the buyers. As a result, the Illinois Sales Tax is imposed on vehicles, other items that require a title and registration, general merchandise, and sales of most tangible personal property including sales of soft drinks, prepared food including food purchased at restaurants, photo processing, prewritten or "canned" computer software, prepaid telephone calling cards and other prepaid telephone arrangements, and repair parts and other items transferred or sold in conjunction with providing a service.

The Illinois Sales Tax is collected by the State and distributed to Union County in the following two methods:

Four percent (4%) of all Illinois Sales Taxes collected by businesses in Union County (representing 0.25% of the 6.25% rate for Illinois Sales Tax). This is the *Countywide Sales Tax.*

Sixteen percent (16%) of all Illinois Sales Taxes collected from businesses in the unincorporated area of Union County (representing 1.00% of the 6.25% rate for Illinois Sales Tax). Further, the County receives 100% of the Illinois Sales Taxes collected on the sale of grocery food, drugs and medical appliances. (the full 1.00% rate). This is the *County Sales Tax.*

In addition to the Illinois Sales Tax, the County also imposes two additional sales taxes. Both taxes are collected by the State and remitted to the County along with the Countywide and County Sales Taxes. The first is the *County Public Safety Sales Tax.* This tax is imposed at a rate of 0.25% of the taxable sales (both occupation and use) in Union County. This tax was approved by referendum.

The other local tax is the *County Public Facilities Sales Tax.* The question of imposing a 1% sales tax on all sales in the county was approved by a majority of the voters of Union County at the general primary election on February 2, 2010. Subsequently, the Union County Board adopted an ordinance imposing the Sales Tax and filed the ordinance with the DOR. Accordingly, the DOR began to administer and enforce the County Public Facilities Sales Tax on July 1, 2010.

All of the above sales taxes are collected and distributed by the Department of Revenue (*"DOR"*) State. The total sales tax rate in Union County is 7.50% (no municipalities impose a sales tax as of this report). Businesses submit monthly reports of taxable sales to the State along with a remittance of sales taxes collected. The businesses collect sales taxes at the specified rate established by the State where they are located. The State distributes all taxes collected in one month two months later to the County. For example, sales tax collections in January are remitted to the County in March. As a result, there has not been any sales tax distribution to the County for the County Public Facilities Sales Tax since collection began in July 2010.

The projection of the Sales Taxes for the Coverage was based on the twelve months of distributions ending June 30, 2010 with the exception of the County Public Facilities Sales Tax. The annual amount of this sales tax was projected to be four times the County Public Safety Tax since the sales upon which this tax is imposed are the same. Further, the overall sales tax rate is not that excessive so that people will change purchasing habits to avoid the sales taxes in the County.

The State also imposes a Use Tax on the privilege of using most items of personal property purchased outside of the State and the privilege of using most items of tangible personal property acquired as an incident to the purchase of a service from a service provider outside of the State. The State imposes these taxes at the rate of 6.25% of the gross sales amount. The Use Tax receipts are distributed to local governments including the County based on population. Further, the distribution of the taxes is subject to annual appropriation by the State. The portion of the Use Tax collected by the County (the *"Local Use Tax"*) has been based on the historical amount received by the County in the year ending June 30, 2010.

The Illinois Income Tax is imposed on every individual, corporation, trust, and estate earning or receiving income in Illinois. The tax is calculated by multiplying net income by a flat rate. The individual rate is 3% of net income. The starting point for the Illinois Individual Income Tax is federal adjusted gross income. Federal adjusted gross income is "income" minus various deductions (not including itemized deductions, the standard deduction, or any exemptions). Next, the federal adjusted gross income is changed by adding back certain items (e.g., federally tax-exempt interest income) and subtracting others (e.g., federally taxed retirement and Social Security income). The result is "base income." The base income earned in Illinois or while a resident of Illinois is then reduced by the number of federally claimed exemptions plus any additional exemptions. The amount of each exemption is $2,000. Additional exemptions are provided for any taxpayer or spouse who was either 65 years of age or older, legally blind, or both ($1,000 each). The total exemption amount is deducted from base income to arrive at "net income." The tax rate is then applied against net income. The County receives a portion of the Illinois Income Tax (the "Income Tax") based on the portion allocated to local governments and the County's population.

Rebates consist of the rebates on the proposed bonds to be distributed by the Federal government on each interest payment date. These rebates range from 35 to 45% of the interest payment depending on the Series of Bond. Rebates received in one bond year are used to make debt service payments in the following year. For coverage purposes, the revenues have been lagged accordingly.

PROPOSED BOND ISSUE

The County intends to issue Alternate Revenue Bonds to fund the construction of a new County Courthouse and Administration building. As Alternate Revenue Bonds, the primary source of payment on the bond will be the Pledged Revenues distributed to the County. To the extent that the Pledged Revenues are insufficient to make the principal and interest payments on the bonds, then the County can use a general obligation property tax to fund the payment (the *"Pledged Taxes"*). However, the intent is to only use the Pledged Revenues to repay the Bonds.

The Debt Reform Act provides that whenever revenue bonds have been duly authorized, a local government unit may issue its general obligation bonds in lieu of such revenue bonds as authorized, and such general obligation bonds may be referred to as "alternate bonds." The Debt Reform Act also provides that whenever there exists an alternate revenue source, a local government unit may issue alternate bonds. Such bonds are general obligation debt payable from the pledged alternate revenues with the general obligation of the issuer acting as back-up security. The Debt Reform Act prescribes the following conditions that must be met before alternate bonds may be issued.

Alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, the alternate bonds must be authorized under applicable law. Alternate bonds may be issued payable from either enterprise revenues or other revenue sources, or both.

The question of issuance must be submitted to referendum if, within thirty (30) days after publication of an authorizing ordinance and notice of intent to issue alternate bonds, a petition signed by the greater of (i) 7.5% of the registered voters in the government unit; or (ii) 200 of those registered voters or 15%, whichever is less, is filed. No legally sufficient petition has been filed in connection with the Bonds, and accordingly the County is now authorized to issue the Bonds.

The issuer must determine that the pledged revenue source or sources are sufficient in each year to final maturity to provide not less than 1.25 times debt service of the

> proposed alternate bonds and all other outstanding alternate Bonds of the issuer payable from the same revenue source. To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body to provide in each year an amount not less than 1.25 times debt service on all alternate bonds payable from such revenue sources previously issued and outstanding and the alternate bonds proposed to be issued. The issuer must in fact pledge and covenant to provide for, collect and apply the pledged alternate enterprise revenues or revenue source(s).

Whenever funds are available to pay any principal of or interest on the Bonds when due, the County will direct the deposit of such funds into the Bond Fund created solely for such purpose. The County covenants in the Bond Ordinance to deposit Pledged Revenues into the appropriate Bond Fund as needed to fund the next scheduled interest and principal payment The County pledges to abate the levy for the Bonds only upon full funding of the Bond Fund in the appropriate levy amount. To comply with this process, the County will direct DOR to deposit all Pledged Taxes directly with the paying agent for the Bonds. The paying agent will retain all funds until debt service requirements are met and then transfer the excess to the County.

The Bonds are all general obligation bonds based on being issued as alternate revenue bonds. The pledged revenues are detailed in the previous section. The Bonds are being issued in three series on a taxable basis. The Series A Bonds are being issued as Recovery Zone Bonds. The United States Treasury will issue a rebate of 45% of the interest on these bonds. The Series B Bonds are being issued as Build America Bonds. These bonds have a 35% rebate from the United States Treasury.

The final details of the Bonds are outlined on Schedules 4 through 7 including the final interest rates and sources and uses of funds. These details were supplied to Austin Meade by Bernardi Securities, Inc. The expected closing of the bonds is assumed to be September 29, 2010.

SOURCES OF INFORMATION

The following summarizes the source of the critical base information and assumptions which have been utilized by Austin Meade to compile these projections. To the extent that this information would prove unreliable, the related projections could also be impact. While Austin Meade did not detect any deficiencies in this information, that does not guaranty that they are completely accurate. To the extent that they are not, the resulting projections could vary materially from what is presented.

In preparing this Report, Austin Meade has reviewed the following information:

(1) The County's ordinances approving of the Project, and the adoption of the Authorizing Ordinances.
(2) Draft Ordinance authorizing the issuance of the Bonds.
(3) Draft Preliminary Official Statement for the Bonds
(4) Illinois Compiled Statutes including the applicable sections on Sales and Income Taxes.
(5) Financial information from the DOR.

POTENTIAL RISKS ASSOCIATED WITH THE PROJECTIONS

Risks associated with the future projections and the ultimate generation of Sales Taxes includes, but is not limited to, the following:

(1) Any change to the laws or methods used by the State of Illinois, or the DOR to assess, collect or distribute sales and use taxes.

(2) Failure of sales tax collectors to remit sales tax collections to the DOR. This could either be a permanent failure due to bankruptcy or insolvency or a temporary administrative delay.

(3) Failure of DOR in collecting and remitting Sales and Income Taxes in accordance to current practices. There was a month delay in distributions in 2009 based on the financial difficulties of the State of Illinois.

(4) Competition from communities with lower overall sales tax rates may create incentives for consumers to make certain purchases in such communities. An increase in sales tax rates may prompt certain commercial and industrial activities to relocate to jurisdictions with lower sales tax rates.

(5) Internet sales have been increasing over the past several years. Such Internet sales may reduce taxable sales that would otherwise occur within the County. If these Internet sales are not treated the same as other transactions subject to sales taxes or

displace sales taxes currently collected, the generation of Sales and Use Taxes and consequently Pledged Taxes may be adversely affected.

(6) Sales taxes historically have been sensitive to changes in local, regional and national economic conditions. For example, sales tax revenues have historically declined during economic recessions as increases in unemployment reduces consumption.

(7) Demographic changes particularly declines in population have a corresponding reduction in the number and value of taxable sales resulting in a reduction in Sales and Income Taxes.

(8) A decrease in population of the District relative to the rest of the State could result in lower Income and Local Use Taxes for the County.

THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH THIS TRANSACTION. AUSTIN MEADE HAS NO REASON TO EXPECT THAT ANY OF THE AFOREMENTIONED POTENTIAL RISKS MIGHT BE REALIZED.

THE ACHIEVEMENT OF ANY FINANCIAL FORECAST IS DEPENDENT UPON FUTURE EVENTS, THE OCCURRENCES OF WHICH CANNOT BE ASSURED. AUSTIN MEADE HAS NO RESPONSIBILITY TO UPDATE THIS REPORT FOR EVENTS AND CIRCUMSTANCES OCCURRING AFTER THE DATE OF THIS REPORT, BUT WOUOD BE AVILABLE TO ANSWER ANY QUESTIONS RELATED TO THIS REPORT IF NECESSARY.

APPENDIX F

Paying Agent and Depositary Agreement
The County of Union, Illinois

PAYING AGENT AND DEPOSITARY AGREEMENT

Between the

COUNTY OF UNION, ILLINOIS,

as Issuer,

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Paying Agent and Depositary

Dated as of September 1, 2010

C/99949.11

PAYING AGENT AND DEPOSITARY AGREEMENT

THIS PAYING AGENT AND DEPOSITARY AGREEMENT is made and entered into as of September 1, 2010 (this "**Agreement**") by and between The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, and the County of Union, Illinois.

In the joint and mutual exercise of their powers, and in consideration of the mutual covenants and agreements herein contained, the parties hereto recite and agree as follows:

ARTICLE I

RECITALS

Section 1.01. The Issuer on September 7, 2010 adopted Ordinance No. 2010-20 and executed a Bond Order dated September 20, 2010 (collectively, the "**Bond Ordinance**") authorizing the issuance of the $1,070,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds (Direct Payment)) (the "2010A Bonds"), the $12,635,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds (Direct Payment)) (the "2010B Bonds"), and the $725,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C (the "2010C Bonds" and together with the 2010A Bonds and the 2010B Bonds, the "**Bonds**"). This Agreement is not intended to alter or change the rights and obligations of the Issuer under the Bond Ordinance, but is entirely supplemental thereto.

Section 1.02. Terms capitalized in this Agreement but not defined herein shall have the meanings given to them in the Bond Ordinance.

Section 1.03. Pursuant to this Agreement, Issuer is to engage and appoint Paying Agent as paying agent, depositary and bond registrar. The Paying Agent is to receive and pay to the proper recipients certain moneys paid to Paying Agent by or on behalf of the Issuer. Additionally, Paying Agent is being employed to hold and disburse arbitrage rebate and yield reduction payments in connection with the Bonds.

Section 1.04. Each of the parties hereto has authority to enter into this Agreement and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto.

ARTICLE II

COVENANTS

Section 2.01. Paying Agent agrees that it shall serve as paying agent, bond registrar and depositary in connection with the payments by the Issuer: (i) to fund the County's Revenue Fund to be held at the Paying Agent; and (ii) to pay the principal and interest on the Bonds under the Bond Ordinance. Commencing September 1, 2010, and on the first business day of every month thereafter, up to and including the final maturity of the Bonds, there shall be deposited, into the County's Revenue Fund, an amount equal to the monthly receipt of the (i) 1% County-wide Sales Tax approved via referendum on February 2, 2010 (the "1% County-wide Sales Tax"), and (ii) share of the County's Sales Taxes other than public safety sales taxes (collectively, with the 1% County-wide Sales Tax, the "Escrowed Pledged Revenues"). There shall be transferred to the County's Bond Fund a fractional amount (not less than 1/6) of the interest becoming due on the next succeeding interest payment date on all Outstanding Bonds (net of any Internal Revenue Service payments anticipated to be made with respect to such interest payment) and also a fractional amount (not less than 1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal maturity date of all of the Outstanding Bonds (collectively, the "Monthly Escrow Requirement"). Escrowed Pledged Revenues in excess of the amount necessary to satisfy the Monthly Escrow Requirement shall be transferred to the County to be used for general County purposes, provided that any excess amounts received attributable to the 1% County-wide sales tax shall be transferred to the "Facility Sales Tax Account" created pursuant to Section 7.02 hereof and shall be retained throughout the life of the Bonds for the purposes of covering any future shortfall in satisfying the Monthly Escrow Requirement and payment of interest and principal on the Bonds prior to the utilization of Pledged Revenues (other than the 1% County-wide sales tax).

In computing the fractional amount to be deposited each month in appropriate accounts of the Bond Fund, the fraction shall be so computed that a sufficient amount of Pledged Revenues or other funds legally available of the County will be set aside in such account of the Bond Fund and will be available for the prompt payment of such principal of and interest on all Outstanding Bonds of each series and shall be not less than one-sixth (1/6) of the interest becoming due on the next succeeding interest payment date and not less than one-twelfth (1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal payment date on all Outstanding Bonds of each series until there is sufficient money in Bond Fund to pay such principal or interest, or both. The Paying Agent shall create three accounts of the Bond Fund: (i) Series 2010A Bond Fund Account; (ii) Series 2010B Bond Fund Account; and (iii) the Series 2010 C Bond Fund Account.

Credits into such Bond Fund may be suspended in any Bond Year at such time as there shall be sufficient sum held in cash and investments in such Account to meet principal and interest requirements on all Outstanding Bonds for the balance of such Bond Year, but such credits shall again be resumed at the beginning of the next Bond Year. "Bond Year" means the period from January 1 to and including December 31 of each year. All moneys in such Bond Fund shall be used only for the purpose of paying interest and principal and applicable premium on Outstanding Bonds. Such deposit shall be of an amount sufficient to pay principal and interest on all Outstanding Bonds and to fully abate the Pledged Taxes for the annual debt service period covered by such Pledged Taxes (such amounts constituting the "**Monthly Deposits**"). All Monthly Deposits payable by Issuer to Paying Agent hereunder are to be paid in immediately available funds. In connection with any prepayment/optional redemption of Bonds pursuant to the Bond Ordinance, Issuer shall pay to Paying Agent the applicable redemption or prepayment amount on the Business Day next preceding the date set for such prepayment to be applied as provided in the Section 16 of the Bond Ordinance (the "**Prepayment Amount**"). *Provided, however*, notwithstanding anything herein to the contrary, Paying Agent shall only be responsible for making Debt Service Payments and Prepayment Amounts and other applicable payment amounts from amounts paid by Issuer, as provided in the Bond Ordinance. The Paying Agent shall have no independent obligation to make any such payments. If Paying Agent fails to receive from Issuer any Monthly Deposit on or before one Business Day prior to the due date thereof, Paying Agent shall provide Issuer with notice of such failure. Notwithstanding the obligations of Paying Agent hereunder, Issuer shall not be relieved of its obligation (i) to timely abate Pledged Taxes; (ii) to make the Monthly Deposits hereunder, (iii) to make Debt Service Payments or to prepay/redeem the Bonds, pursuant to the terms of the Bond Ordinance.

Section 2.02. In connection with Section 2.01 the Paying Agent shall have custody of the Revenue Fund and the Bond Fund created under the Bond Ordinance and this Agreement.

Section 2.03. Paying Agent hereby accepts and agrees to perform all duties as directed by this Agreement.

Not later than 60 days after each January 1 and July 1, commencing with January, 2011, Paying Agent will prepare and file with Issuer a report setting forth, with respect to (i) the preceding 6 months (or, in the case of the January, 2011 report, the period from the date of issuance of the Bonds to January, 2011), and (ii) when available, the comparable period in the preceding year (other than the period from the date of issuance of the Bonds to January, 2011), (A) amounts withdrawn from and deposited in each account in Section 2.02 relating to the Bonds hereunder, (B) the balance on deposit in each such fund or account relating to the Bonds at the end of each period for which such statement is prepared, (C) a brief description of all obligations held as investments in each such fund or account relating to the Bonds, (D) the amount applied to the redemption of the Bonds, a description of the Bonds or portions of Bonds so redeemed, and an accounting of the Bonds that remain outstanding and (E) any other information that Issuer may reasonably request or that Paying Agent may from time to time deem appropriate.

ARTICLE III

MONEYS HELD BY PAYING AGENT

The moneys held by Paying Agent under this Agreement are irrevocably held in trust for the benefit of Issuer, and such moneys shall be invested as directed by the County in writing in Investments of funds maintained in Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depositary institutions, including the Paying Agent or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody's or which are fully FDIC-insured or any investments directed by the Issuer permitted in accordance with the Bond Ordinance and applicable Illinois law by Paying Agent but shall be expended only as provided in this Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Issuer. Paying Agent hereby accepts appointment as paying agent and agrees to establish and maintain the moneys held under this Agreement in the accounts in Section 2.02. All parties intend that the Revenue Fund and Bond Fund (collectively, the "**Accounts**") each is a "**deposit account**" within the meaning of Article 9 of the Uniform Commercial Code of the State of Illinois (the "**UCC**"). Paying Agent has not and will not agree with any third party to comply with instructions or other directions concerning the Accounts or the disposition of funds in the Accounts originated by such third party without the prior written consent of Issuer. Paying Agent will comply with instructions originated by Issuer directing disposition of the funds in the Accounts or any other matters relating to the Accounts. Except as provided in Section 2.01 hereof, Paying Agent will not permit the withdrawal or other disposition of any funds in the Accounts without Issuer's prior consent. After the Bonds are paid in full, any amounts remaining on deposit in the Accounts and not refunded for the debt service payments on Bonds shall be returned to Issuer.

ARTICLE IV

PAYING AGENT'S AUTHORITY; INDEMNIFICATION

Section 4.01. Paying Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. Paying Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

Section 4.02. To the extent lawful, Issuer hereby agrees to indemnify Paying Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Paying Agent under this Agreement; and in connection therewith, to indemnify Paying Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim. Paying Agent shall be vested with a lien on all property deposited hereunder for indemnification, for reasonable attorneys' fees, court costs, for any suit, interpleader or otherwise, or any other expenses, fees or charges of any character or nature, which may be incurred by Paying Agent by reason of disputes arising as to the correct interpretation of the Bond Ordinance or this Agreement and instructions given to Paying Agent hereunder, or otherwise, with the right of Paying Agent, regardless of the instructions aforesaid, to hold the said property until and unless such additional expenses, fees and charges shall be fully paid; *provided, however*, that Issuer shall not be obligated to indemnify Paying Agent for any Losses that are finally determined to have been primarily caused by the gross negligence or willful misconduct of Paying Agent. The obligations of Issuer under this Section 4.02 shall survive the termination of this Agreement or the resignation or removal of the Paying Agent.

Section 4.03. If Issuer or Paying Agent shall be in disagreement about the interpretation of the Bond Ordinance or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by Paying Agent hereunder, Paying Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Paying Agent shall be indemnified by Issuer for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

ARTICLE V

PAYING AGENT'S COMPENSATION

Issuer hereby agrees to pay Paying Agent as compensation for the services to be rendered hereunder the amounts set forth in Exhibit A hereto, and will pay and/or reimburse Paying Agent upon request for all expenses, disbursements and advances, including reasonable attorneys' fees, incurred or made by it in connection with carrying out its duties hereunder. Paying Agent's first annual fee shall be payable upon execution of this Agreement, and all of Paying Agent's subsequent annual fees shall be payable on June 30 of each year (or portion thereof) that this Agreement is in effect.

ARTICLE VI

CHANGE OF PAYING AGENT

Section 6.01. (a) Paying Agent or any successor may at any time resign and be discharged of the duties and obligations of the function of Paying Agent, by giving at least 60 days' written notice to Issuer, and may be removed from such functions at any time by notice of removal executed by Issuer. The notice of removal shall specify the date on which such removal shall take effect and the name and address of the successor Paying Agent, and shall be transmitted to Paying Agent being removed within a reasonable time prior to the effective date thereof; *provided, however*, that no resignation or removal of a Paying Agent shall become effective until a successor Paying Agent has been appointed pursuant to this Agreement.

(b) Upon receiving notice of the resignation of Paying Agent, Issuer shall promptly appoint a successor Paying Agent, which successor Paying Agent. Any appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent shall have been so appointed and have accepted appointment within 30 days after the notice of resignation, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Paying Agent.

(c) In the event of a change in Paying Agent, the predecessor Paying Agent shall cease to be depositary of any funds hereunder in connection with its role as such Paying Agent, and the successor Paying Agent shall become such depositary; *provided, however*, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Paying Agent shall by fully paid by Issuer. Every predecessor Paying Agent shall deliver to its successor Paying Agent all records, documents and instruments relating to its duties as such Paying Agent.

(d) Any successor Paying Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it is subject and shall be acceptable to Issuer.

(e) Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Paying Agent and to Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

(f) Should any transfer, assignment or instrument in writing be required by any successor Paying Agent from Issuer or more fully and certainly vest in such successor Paying Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Paying Agent, any such transfer, assignment and written instrument shall, upon request, be executed, acknowledged and delivered by Issuer,

(g) All duties and obligations imposed hereby on Paying Agent or successor Paying Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Agreement.

Section 6.02. Any corporation or association into which Paying Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the powers, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of Issuer or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent shall be satisfactory to Issuer and eligible under the provisions of Section 6.01(d) hereof.

Section 6.03. Paying Agent may appoint an agent to exercise any of the powers, rights or remedies granted to Paying Agent under this Agreement or to take any other action which may be desirable or necessary.

ARTICLE VII

ADMINISTRATIVE PROVISIONS

Section 7.01. There is hereby created by Issuer and ordered maintained as a separate deposit account in the custody of Paying Agent so long as any Bonds is outstanding and is subject to a requirement of the Code in applicable regulations that arbitrage profits be rebated to or yield reduction payments payable to the United States of America, a fund to be designated the "Rebate Account" (the "**Rebate Account**"). The Rebate Account shall be administered in accordance with the terms and provisions of this Section 7.01 and the Bond Ordinance. Except as provided herein and in the Bond Ordinance, neither Issuer nor Paying Agent shall have any rights in or claim to moneys on deposit in the Rebate Account.

(a) Paying Agent (i) shall receive deposits and make disbursements from the Rebate Account in accordance with the rebate instructions provided to Paying Agent in writing by a rebate analyst engaged by the issuer (the "**rebate analyst**"), (ii) shall invest the amounts held in the Rebate Account in investments in accordance with the Bond Ordinance and applicable Illinois law in accordance with the written instructions of Issuer, subject, however, to any written instructions provided by the rebate analyst and (iii) shall deposit income from such investments immediately upon receipt thereof in the Rebate Account. Paying Agent shall make information relating to the receipt, investment, disbursement, allocation and application of money in the Accounts under this Agreement available to Issuer and the rebate analyst. Within 45 days after the rebate analyst is retained by Issuer, Paying Agent shall (i) provide the rebate analyst with all such information and data as the rebate analyst shall reasonably require to comply with this Section 7.01, and (ii) notify Issuer of the amount then on deposit in the Rebate Account (the "**Balance Notice**"). The Paying Agent shall have no obligation to engage a rebate analyst; and the Issuer assumes such obligation.

(b) Paying Agent shall remit part or all of the balances in the Rebate Account to the United States Treasury in accordance with the rebate instructions provided to Paying Agent by the rebate analyst. If the amount on deposit in the Rebate Account is in excess of the rebate amount or yield reduction payment, Paying Agent shall forthwith pay that excess amount to Issuer. If the amount on deposit in the Rebate Account is less than a rebate amount, Issuer shall, within ten days after the receipt of the Balance Notice, pay to Paying Agent for deposit into the Rebate Account an amount sufficient to pay the rebate amount. Paying Agent shall have no obligation to rebate or pay any amounts required to be rebated or paid pursuant to this Section 7.01, other than from moneys held in the Rebate Account. Any balances remaining in the Rebate Account after redemption and payment of all of the Bonds and payment and satisfaction of any required rebate or yield reduction payments as remitted to Issuer.

(c) Issuer agrees to cooperate with Paying Agent in the filing of any reporting forms required pursuant to Section 148 of the Code.

(d) Paying Agent and Issuer shall be entitled to rely conclusively upon the calculations and directions of a rebate analyst made pursuant to this Section 7.01 and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations and directions.

(e) Paying Agent shall obtain and keep records of the calculation of the rebate amount or yield reduction payments as are required under Section 148(f) of the Code. Notwithstanding the foregoing, Paying Agent shall keep such records at least until six years following the final payment or maturity of all Bonds.

Section 7.02. There is hereby created by Issuer and ordered maintained as a separate deposit account in the custody of Paying Agent, a fund to be designated the "Revenue Fund" (the "Revenue Fund"), which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Issuer by the Bond Ordinance. The Revenue Fund shall be administered in accordance with the terms and provisions of this Section 7.02 and the Bond Ordinance. Within the Revenue Fund there is established a "Facility Sales Tax Account."

Section 7.03. Paying Agent shall keep complete and accurate records of all moneys received and disbursed under this Agreement, which shall be available for inspection by Issuer, any agent, at any time during regular business hours. Investments of funds maintained in E.

Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depositary institutions, including the Paying Agent or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody's or which are fully FDIC-insured or any investments directed by the Issuer permitted under Illinois Law.

Section 7.04. All notices, certificates, requests, demands and other communications provided for hereunder shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, (c) sent by overnight courier of national reputation or (d) transmitted by telecopy, in each case addressed to the party to whom notice is being given and, if telecopied, transmitted to that party at (i) with respect to Paying Agent, its address or telecopier number set forth below, and (ii) with respect to Issuer its address or telecopier number at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (w) the date received if personally delivered, (x) when deposited in the mail if delivered by mail, (y) the date sent if sent by overnight courier or (z) the date of transmission if delivered by telecopy. Any such party delivering a notice hereunder shall also provide a copy of such notice to Issuer.

The address and telecopier number for Paying Agent are:

The Bank of New York Mellon Trust Company, N.A
911 Washington Avenue
St. Louis, Missouri 63101
Telephone: (314) 613-8270
Telecopier: (314) 613-8238

And for Issuer:

County of Union, Illinois
309 W. Market
Jonesboro, Illinois 62952
Telephone: (618) 833-5711
Telecopier: (618) 833-8712

Section 7.05. This Agreement shall be construed and governed in accordance with the laws of the State of Illinois (without regard to the conflict-of-laws principles thereof).

Section 7.06. Any provisions of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement or the Bond Ordinance.

Section 7.07. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section 7.08. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 7.09. This Agreement shall terminate upon full satisfaction of all of the Bonds.

Section 7.10. This Agreement and the Bond Ordinance constitutes the entire agreement of the parties relating to the subject matter hereof.

Section 7.11. To the extent permitted by law, the terms of this Agreement shall not be waived altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto and consented to by the Bond Insurer, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. The Paying Agent and County further agree that the Letter dated September 22, 2010 with the Treasurer and Department of Revenue providing for the payment of Escrowed Revenues will not be amended, modified, waived or terminated without Bond Insurer consent.

Paying Agent will have no liability or responsibility for any statement made by Issuer, Issuer or any other person in connection with the issuance of the Bonds, or for the use or application of any money received by Issuer in connection with the Bonds.

Paying Agent may rely upon advice or instructions provided to it by Bond counsel or its own counsel (including its own in-house counsel), in connection with its duties and will not be liable for any action taken or omitted to be taken by it in good faith in accordance with such instructions or advice. Paying Agent will be entitled to rely upon and will be protected in acting upon any notice, request, consent, certificate, order, affidavit, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

Paying Agent will have only those duties and responsibilities as are specifically set forth in this Agreement, and no other duties or obligations will be inferred or implied.

Section 7.12. ISSUER, AND PAYING AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AMONG ISSUER AND PAYING AGENT RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN ISSUER AND PAYING AGENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

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