

STATE OF ILLINOIS
COMPTROLLER
LESLIE GEISSLER MUNGER

Name of Municipality:	<u>Tolono</u>	Reporting Fiscal Year:	2015
County:	<u>Champaign</u>	Fiscal Year End:	4 / 30/2015
Unit Code:	010/115/32		

TIF Administrator Contact Information

First Name:	Thomas	Last Name:	Jacob
Address:	1701 Clearwater Avenue	Title:	Administrator
Telephone:	309-664-7777	City:	Bloomington
		Zip:	61704
Mobile		E-mail-required	kjacob@tifillinois.com
Mobile Provider		Best way to contact	<input checked="" type="checkbox"/> X Email <input type="checkbox"/> Mobile
			<input type="checkbox"/> Phone <input type="checkbox"/> Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of
Tolono
is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act
[65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administrator

1-27-2016
Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT[illegible]

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2015

Name of Redevelopment Project Area:	Tolono TIF District
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Commercial, Residential, Industrial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <u> x </u>	Industrial Jobs Recovery Law <u> </u>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I		X
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M		X

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**Provide an analysis of the special tax allocation fund.****FY 2015****TIF NAME: Tolono TIF District**

Fund Balance at Beginning of Reporting Period

\$ 575,937

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 1,198,220	\$ 8,983,645	71%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest		\$ 24,126	0%
Land/Building Sale Proceeds			0%
Bond Proceeds	\$ 170,814	\$ 3,670,814	29%
Transfers from Municipal Sources		\$ 60,634	0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where current or prior year(s) have reported funds

**Total Amount Deposited in Special Tax Allocation
Fund During Reporting Period**

\$ 1,369,034

Cumulative Total Revenues/Cash Receipts

\$ 12,739,219 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 1,495,056

Distribution of Surplus**Total Expenditures/Disbursements**

\$ 1,495,056

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ (126,022)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 449,915

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3)

\$ (30,863,651)

TIF NAME: Tolono TIF District

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

[illegible]

SECTION 3.2 A		
PAGE 2		
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8.Financing costs related to obligations issued by the municipality. Subsection (q) (6) and (o)(6) Bond principal and interest	191,508	
		\$ 191,508
9. Approved taxing district's capital costs. Subsection (q)(7) and (o)(9) Tolono Community School District #7 Tolono Fire Protection District	257,592 250,000	
		\$ 507,592
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12.Payments in lieu of taxes as defined in Subsections 11-74.43(m) and 11-74.6-10(k). Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -
		\$ -

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)

8. Financing costs related to obligations issued by the municipality. Subsection (q) (6) and (o) (8)
Bond principal and interest

9. Approved taxing district's capital costs. Subsection (q)(7) and (o)(9)

Tolono Community School District #7

Tolono Fire Protection District

10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY

11. Relocation costs. Subsection (q)(8) and (o)(10)

12. Payments in lieu of taxes as defined in Subsections 11-74.43(m) and 11-74.6-10(k). Subsection (q)(9) and (o)(11)

13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)

SECTION 3.2 A		
PAGE 3		
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,495,056

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)

15. Costs of construction of new housing units for low income and very low-income households.
Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY

16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY

TOTAL ITEMIZED EXPENDITURES

\$	1,495,056
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FY 2015

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2015

TIF NAME: Tolono TIF District

FUND BALANCE, END OF REPORTING PERIOD

\$ 449,915

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
General Obligation Bond Series 2012	\$ 4,528,012	\$ 3,799,828
General Obligation Debt Certificate 2015	\$ 2,230,635	\$ 2,230,635

Total Amount Designated for Obligations

\$ 6,758,647 \$ 6,030,463

2. Description of Project Costs to be Paid

Public Projects		\$ 12,846,280
Private Projects		\$ 7,602,349
Capital Costs		\$ 3,403,759
Administrative Projects		\$ 1,430,715

Total Amount Designated for Project Costs

\$ 25,283,103

TOTAL AMOUNT DESIGNATED

\$ 31,313,566

SURPLUS*/(DEFICIT)

\$ (30,863,651)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2015

TIF NAME: Tolono TIF District

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2015

TIF NAME: Tolono TIF District

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 **MUST BE INCLUDED** WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below* <u>5</u>			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 4,517,651	\$ -	\$ 8,787,564
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Deerpath Subdivision			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken	\$ 2,070,037		\$ 3,979,386
Ratio of Private/Public Investment	0		0

Project 2:

Windstone Subdivision			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,427,960		\$ 2,290,079
Ratio of Private/Public Investment	0		0

Project 3:

CYRA Development			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 31,500		\$ 35,000
Ratio of Private/Public Investment	0		0

Project 4:

Kinderwood South Subdivision (Great Plains)			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 721,377		\$ 1,632,622
Ratio of Private/Public Investment	0		0

Project 5:

Kinderwood South Subdivision (Phrase III)			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 266,777		\$ 850,477
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. ***even though optional MUST be included as part of complete TIF report**

SECTION 6

FY 2015

TIF NAME: Tolono TIF District

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2002	\$ 3,807,835	\$ 19,142,760

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

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Optional Documents	Enclosed	
Legal description of redevelopment project area		
Map of District		

ATTACHMENT "B"

Village of Tolono

Ph: 217/485-5212
Fax: 217/485-5117

PO Box 667
Tolono IL. 61880

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER

The undersigned, Jeff Holt, President of the Village of Tolono, Illinois, hereby certifies that the Village of Tolono has complied with all of the requirements of 65 ILCS 5/11-74.4-1 et. seq. during the Village's Fiscal Year, May 1, 2014 through April 30, 2015.

Signed the 27 day of January 2016


Village of Tolono, Illinois



January 27, 2016

Mr. Jeff Holt
Village of Tolono
507 West Strong
Tolono, IL 61880

RE: Village of Tolono
Tax Increment Financing District
Fiscal Year 2015

Dear President Holt and Board Members:

As Special Attorney for the Village of Tolono, Illinois, it is my opinion, based upon the information provided to me by the officials of the Village and my review of the Ordinances and actions taken by the Village Board that the Village has complied with the requirements for the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. This opinion is based upon the review of information prepared, in part, by others and provided to this office. To the best of our knowledge, such information is accurate but we have not independently verified all of such information. This opinion is prepared for and intended for the use of the Village Board, its officers and management, and for the Comptroller of the State of Illinois. It is not intended for and should not be used or relied upon by others.

Sincerely,

Thomas N. Jacob

Thomas N. Jacob
Nicolas P. Nelson

1701 Clearwater Ave. | Bloomington, IL 61704
ph. 309.664.7777 | fax 309.664.7878

Herbert J. Klein

925 Shooting Park Rd., Suite A | Peru, IL 61354
ph. 815.223.7550 | fax 815.223.7577

EXHIBIT F

VILLAGE OF TOLONO TIF DISTRICT
Fiscal Year 2015
Analysis of Annual Expenditures

	Year ended April 30, 2015	TOTAL EXPENDITURES
	Expenditure	2002-2015
I. Public Projects:		
Water System Upgrade	\$ 0	\$ 4,866
Stormwater Treatment System	\$ 8,543	\$ 3,169,654
Sidewalks	\$ 0	\$ 2,928
Street Improvements	\$ 0	\$ 629,842
Park Improvements	\$ 0	\$ 0
Downtown Parking Lot	\$ 0	\$ 0
Downtown Building Fund	\$ 0	\$ 0
Infrastructure Improvements	\$ 0	\$ 271,430
G.O. Bond Series 2012	\$ 191,508	\$ 575,465
a. Bond Costs	\$ 500	\$ 152,719
G.O. Debt Certificate 2015	\$ 0	\$ 0
a. Bond Costs	\$ 11,500	\$ 11,500
II. Private Projects:		
Property Acquisition/Demolition/Rehab	\$ 0	\$ 0
Deerpath Subdivision	\$ 270,626	\$ 2,070,037
Windstone Subdivision(GAM Properties)	\$ 160,328	\$ 1,427,960
CYRA Development (Dollar General)	\$ 3,500	\$ 31,500
Kinderwood South (Great Plains)	\$ 102,331	\$ 721,377
Kinderwood South (Phase III)	\$ 59,169	\$ 266,777
TOTAL	\$ 808,005	\$ 9,336,055
III. Taxing District's Capital Costs:		
Tolono Community School District #7	\$ 257,592	\$ 1,913,241
Tolono Fire Protection District	\$ 250,000	\$ 300,000
Tolono Park District	\$ 0	\$ 208,000
Tolono Library District	\$ 0	\$ 50,000
TOTAL	\$ 507,592	\$ 2,471,241
IV. Administrative Fees & Professional Services		
Administrative	\$ 0	\$ 32,759
Legal	\$ 10,676	\$ 85,415
Engineering	\$ 152,514	\$ 169,149
Miscellaneous	\$ 0	\$ 1,658
Professional	\$ 16,269	\$ 198,804
TOTAL	\$ 179,459	\$ 487,785
TOTAL EXPENDITURES	\$ 1,495,056	\$ 12,295,081

ATTACHMENT "I"

CERTIFICATE OF VILLAGE OF TOLONO, CHAMPAIGN COUNTY, ILLINOIS RE: ARBITRAGE AND FEDERAL TAX MATTERS

STATE OF ILLINOIS)
) SS:
COUNTY OF CHAMPAIGN)

We, the undersigned, certify that we are the duly elected or appointed officials of the Village of Tolono, Champaign County, Illinois (the "Village"), holding the offices appearing under our names, are the officials under whose jurisdiction the proceeds of the hereinafter described Certificate will be expended; are authorized to execute this certificate on behalf of the Village; and are officers of the Village charged by the Ordinance, adopted February 17, 2015, and the Notification of Sale and Certificate Order, dated March 17, 2015 (the "Certificate Order" and, together, the "Ordinance") of the Village with actually issuing the Certificate (as such term is hereinafter defined). We further certify that:

1. Applicable Laws. This certificate is executed for, among other matters, the purpose of (i) setting forth the covenants, facts and estimates upon which the Village represents that the Certificate does not and will not bear interest which is includable in the gross income of their owners and bases its reasonable expectations that the Certificate is not a private activity bond or arbitrage bond under (a) Section 148 of the Internal Revenue Code as in effect on this date (the "Code") and (b) Sections 1.148-1 through 11, 1.149(b)-1, 1.149(d)1, 1.149(e)-1, 1.149(g)-1 and 1.150-1 through 1.150-2 of the Treasury Regulations as in effect on this date (the "Regulations") and (ii) establishing that interest on the Certificate is excludable from gross income for federal tax purposes under Sections 103 and 141-150 of the Code and Regulations. Unless otherwise indicated by the context in which they are used, words and phrases used herein have the meaning ascribed to them in the Regulations.

One purpose of executing this Certificate is to set forth various facts regarding the Certificate and to establish the expectations of the Village as to future events regarding the Certificate and the use of the proceeds of the Certificate. To the extent such facts do not relate directly to the Village, the Village is reasonably and prudently relying upon the certifications of the Purchaser (as such term is hereinafter defined).

The execution and delivery of this Certificate by the Village will be treated by the Village as the establishment of written procedures (i) to ensure that any Certificate that become nonqualified bonds are identified and remediated in accordance with the requirements of the Code and Regulations, including the remediation provisions of Regulation Section 1.141-12 or other applicable regulation, and (ii) to monitor compliance with the arbitrage yield restriction and rebate requirements of Code Section 148. Attached hereto as Exhibit E is an agreement relating to post-issuance tax compliance procedures with respect to the Village's outstanding tax-exempt obligations.

2. Summary of Financing. We are cognizant of the facts and circumstances regarding the issuance of a general obligation debt certificate of the Village designated "General Obligation Debt Certificate, Series 2015" (the "Certificate"), dated March 17, 2015, and the intended use of the proceeds to (i) finance the costs of acquiring, constructing and installing certain capital projects within the Village, including, but not limited to, the completion of its storm sewer main trunk line, within or in furtherance of the Tolono Tax Increment Financing District Redevelopment Area (the "Project") and (ii) pay the costs of issuance of the Certificate. Attached hereto as Exhibit A are the sources and uses associated with the Certificate.

3. Sale Proceeds. The Village has sold the Certificate to Hickory Point Bank & Trust (the "Purchaser"). The issue price for the Certificate is \$1,700,000 (being a par amount of

\$1,700,000 (the "Sale Proceeds"). The Village has agreed to issue and sell the Certificate to the Purchaser and the Purchaser has agreed to purchase the Certificate from the Village by disbursing funds to the Village in an aggregate amount not to exceed the Maximum Amount in multiple Advances, pursuant to the draw requirements set forth in the Certificate Order. On the date hereof, an initial Advance in the amount of \$50,000 is being made to the Village by the Purchaser to enable the Village to repay certain interim indebtedness for components of the Project and to pay, or reimburse the Village for, a portion of the costs of issuance of the Certificate. Pursuant to Section 1.150.1(c)(4)(i) of the Regulations, because the amount so disbursed is equal to the lesser of \$50,000 or 5% of the aggregate maximum issue price of the Certificate, the Certificate is deemed to be issued on the date hereof.

4. Disposition of Sale Proceeds. (a) Sale Proceeds in the amount of \$1,688,500 will be deposited into a project fund (the "Project Fund") and used to finance the costs of the Project in the manner described in Exhibit B.

(b) The Village expects to pay approximately \$11,500 in issuance expenses from Sale Proceeds. Sale Proceeds used for issuance expenses for the Certificate is expected to be spent within thirty (30) days of the date hereof. Any funds held for issuance expenses which are not spent within thirty (30) days will be invested at a yield no greater than the lower of the yield on the Certificate until used to pay the Certificate.

5. Project Fund. The Village expects that moneys held in the Project Fund shall be used to finance the costs of the Project at the time and in the manner described in Exhibit B. Interest received from deposits in the Project Fund shall be retained in the Project Fund. The Village represents that:

(a) Except for certain architectural, construction management and other capital expenditures that constitute "preliminary expenditures" under Section 1.150-2 of the Regulations, none of the Sale Proceeds will be used to reimburse the Village for costs of the Project paid by the Village prior to the issuance of the Certificate.

(b) Substantial binding obligations to unrelated third parties to commence the Project have been or will be incurred by entering into construction contracts for the Project by September 17, 2015 in an amount not less than 5% of the Sale Proceeds.

(c) Based upon the expected construction period for the Project and expectations for the expenditure of the remaining Sale Proceeds, the Village reasonably expects that at least eighty-five percent (85%) of such remaining Sale Proceeds will be expended on costs of the Project within the 3-year period from March 17, 2015 through March 17, 2018.

(d) Based upon the drawdown schedule set forth in Exhibit B, the Village reasonably expects the expenditure test of Regulation Section 1.148-2(e)(2)(i)(A) to be met for the Certificate.

(e) Based upon the above, the Village reasonably expects that work on the Project will proceed with due diligence, as defined in Regulation Section 1.148-2(e)(2)(i)(C) of the Regulations, to completion, presently expected on or about March 17, 2018 and that the allocation of the remaining Sale Proceeds to these expenditures will occur as these expenditures are paid. The Certificate is being issued at this time to begin the construction schedule of the Village and to comply with the provisions of the Code.

(f) The Sale Proceeds, together with the investment earnings thereon, will not exceed the amounts necessary for the purpose or purposes of the Certificate, as shown in Exhibit A. Any amounts remaining in the Project Fund upon completion of the Project (except moneys

reserved to pay any disputed or unpaid claims) will be used, solely and exclusively, to pay or reimburse other capital expenditures of the Village that were paid with the Village's general funds after the issue date of the Certificate.

(g) Based upon the above, the Village reasonably expects that the Project Fund will qualify for the temporary period described in Regulation Section 1.148-2(e)(2) and moneys in each fund may be invested at an unrestricted yield prior to the earlier of March 17, 2018 or the completion date of the Project. However, due to the expectation of negative arbitrage relating to the Project Fund, the Village hereby waives its right to invest in higher yielding investments during the 3-year temporary period relating to the Project Fund pursuant to Regulation Section 1.148-2(h).

6. Calculation of Yield. (i) The yield on the Certificate is (3.40%) (the "Certificate Yield") which has been calculated in accordance with the Regulations as set forth in the Certificate of the Purchaser. In calculating the Certificate Yield, the Village relied on information provided by the Purchaser, including certain representations of the Purchaser included in the Certificate of Purchaser attached hereto as Exhibit D.

7. Overissuance. Based upon the Village's inquiries prior to adopting the Ordinance, the Village reasonably expects that the remaining Sale Proceeds, plus income earned on the investment of the remaining Sale Proceeds and income earned on the investment income, will not exceed the amount necessary for the purpose of such issue of Certificate.

8. [Reserved].

9. Certificate Fund. Principal of and interest on the Certificate due each year will be paid from any funds of the Village legally available and annually appropriated for such purpose. There is no statutory authority for the levy of a separate tax in addition to other Village taxes or

the levy of a special tax unlimited as to rate or amount to pay the installments of principal of and interest due on the Certificate. It is reasonably expected that the amounts held in the Certificate Fund to pay debt service in any given year will not exceed the amount of principal and interest on all Certificate payable for that year. The Village expects that the deposits into the Certificate Fund will not be held for more than thirteen (13) months and that such Fund will be depleted at least once a year to pay debt service on the Certificate except for a reasonable carryover which will not exceed the greater of 1/12 of annual debt service on the Certificate for the immediately preceding year or one year's earnings on such amounts for the immediately preceding year. The Certificate Fund is designed to achieve a proper matching of the Village's tax revenues and debt service on the Certificate within each certificate year. Therefore, the Certificate Fund constitutes a Bona Fide Debt Service Fund as to the Certificate under the Regulations, and such moneys will be invested without restriction as to yield.

10. Disposition of Investment Earnings. Within one year of receipt, earnings on amounts deposited in the Certificate Fund will be expended to pay debt service on the Certificate.

11. Replacement Proceeds. (a) As set forth in the Certificate of Purchaser attached hereto as Exhibit D, the weighted average maturity of the Certificate is 8 years. The weighted average maturity for the Certificate does not exceed 120 percent of the average reasonably expected economic life of the financed capital projects (at least 30 years). Therefore, the Village does not expect replacement proceeds to arise for the Certificate under Regulation Section 1.148-1(c)(4)(i)(A). The average remaining economic life of the Project is weighted based upon construction estimates. Professional fees and contingency allowance, if any, are spread proportionately among the components.

(b) Other than the funds described above, there are no other funds or accounts of the Village established pursuant to the Ordinance or otherwise, (i) which are reasonably expected to be used to pay debt service on the Certificate or which are pledged as collateral to secure repayment of debt service on the Certificate, (ii) for which there is reasonable assurance that amounts therein will be available to pay debt service on the Certificate, or (iii) for which the Village has agreed to maintain a particular balance for the direct or indirect benefit of the owners of the Certificate.

(c) No portion of the proceeds of the Certificate will be used as a substitute for other funds which would otherwise have been used to pay the principal of, premium, if any, or interest on the Certificate and which will be used directly or indirectly to acquire obligations producing a yield in excess of the Certificate yield.

12. Artifice and Device. The Village has not employed in connection with the issuance of the Certificate, a transaction or series of transactions that attempts to circumvent the provisions of the Code and the Regulations enabling the Village to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage (based on arbitrage) and overburdening the market for tax exempt obligations through actions such as, but not limited to, issuing more obligations, issuing obligations sooner and allowing them to remain outstanding longer than would otherwise be reasonably necessary to accomplish the governance purposes of the Certificate.

13. Concurrent Issues. There are no other obligations of the Village which (i) are sold at substantially the same time as the Certificate (within 15 days), (ii) are sold pursuant to the same plan of financing as the Certificate, and (iii) are reasonably expected to be paid out of substantially the same source of funds as the Certificate. The Village represents that no artificial

allocations have been employed in connection with the issuance of the Certificate to circumvent Sections 103 and 141-150 of the Code.

14. Maintenance of Tax Exemption. This certificate is being executed and delivered pursuant to the laws set forth in paragraph 1. On the basis of the foregoing, it is not expected that the proceeds of the Certificate will be used in a manner that would cause the Certificate to be arbitrage bonds under Section 148 of the Code and the Regulations. No action shall be taken that would impair the exclusion from gross income of interest on the Certificate provided by Section 103(a) of the Code. In particular, and without limiting the foregoing, the proceeds of the Certificate shall not be used or invested in any manner that will cause the Certificate to be arbitrage bonds within the meaning of Section 148 of the Code. So long as any of the Certificate remain outstanding, no action shall be taken or authorized that will cause the Certificate to be classified as arbitrage bonds within the meaning of such Section 148 and the Regulations. Except as provided in this certificate, no "Gross Proceeds" (as defined in Section 148(f)(6)(B) of the Code) of the Certificate shall be invested at an unrestricted yield for a period of time or in an amount not allowable under the Code or the Regulations.

15. The Private Business Tests. The Certificate must not meet the "private business tests" which consist of two parts called the "private business use test" and the "private security or payment test".

First, the "private business use test" would be met for the Certificate if more than 10% of the net sale proceeds of the Certificate is used for a private business use. A 5% test applies to any unrelated or disproportionate private business use. Private business use in general means actual or beneficial use of the Project pursuant to a lease, management contract, research

agreement, joint venture arrangement, incentive payment contract, or any other arrangement that conveys special legal entitlements for use of the Project.

Exceptions apply for short-term contracts (such as certain contracts for a term of use of 50 days or less) and incidental use.

In general, a service contract (such as a management contract) results in private business use if the compensation to the service provider is based on net profits and may result in private business use in other cases. Rev. Proc. 97-13 provides safe harbors for service contracts that do not result in private business use.

Private business use of an asset included in the Project is generally measured over the economic life of the asset or, if shorter, the term of the Certificate that finance the asset. The Village acknowledges, however, that it is advisable the bond counsel be contacted in the event that private business use is greater than the permitted amount in any year, because computations of the percentage of private business use may be complex.

16. Restrictions of How the Certificate is Paid and Secured. Even if the Certificate meet the private business use test, the Certificate will be treated as meeting the private business tests only if the "private security or payment test" is also satisfied. In general, the private security or payment test is met if more than 10% of the debt service on the Certificate is derived from payments made by persons who are private business users. For this purpose, in general, all payments relating to the private business use of the Project financed with proceeds of the Certificate is treated as private payments, even if those payments are not directly made by a private business user. The private security or payment test is also met if more than 10% of the debt service on the Certificate is secured by any interest in property that is used for a private business use and that is provided by a private business user or by payments made for the use of

property that is used for a private business use. In addition, the 10% limitation may be met by any combination of private payments and private security. Indirect private payments and security are taken into account under the test. A 5% test applies to any payments or security with respect to unrelated or disproportionate private business use.

The private security or payment test is measured in a manner that takes into account the time value of money, so that the test is met only if the present value of the private security or payments is greater than 10% of the present value of debt service on the Certificate measured as of today. The arbitrage yield on the Certificate is used as the discount rate for purposes of this computation with respect to the Certificate.

Payments of generally applicable taxes under Regulation Section 1.141-4(e) of the Regulations are not treated as private payments or private security. In the case of the Certificate, the Village acknowledges in particular that, if any proceeds of the Certificate is used in a private business use, the tax-exempt character of the interest on the Certificate depends upon the continued treatment of the Pledged Revenues (as defined in the Ordinance) as generally applicable taxes. In this regard, the Village further covenants that no "impermissible agreements" (as defined in Regulation Section 1.141-4(e)(4)(ii)) have been or will be entered into by any taxpayer relating to the manner of determination and collection of taxes used to pay debt service on the Certificate.

17. Covenants Regarding Use of Certificate. In order to preserve the exclusion from gross income of interest on the Certificate under federal law and as an inducement to the Purchaser, the Village represents, covenants and agrees that:

(a) The Project has been and will continue to be available for use by members of the general public. Since the date of issuance of the Certificate and until the earlier of (i) the last date

of the reasonably expected economic life of the Project purchased or constructed by the Village with funds from the Certificate or (ii) the latest maturity date of the Certificate ("Measurement Period"), the facilities financed with Certificate will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. During the Measurement Period, no person or entity, other than the Village or another state or local governmental unit, has used or will use more than 10% of the proceeds of the Certificate or property financed by the proceeds of the Certificate, other than as a member of the general public. No person or entity other than the Village or another state or local governmental unit will own property financed within the proceeds of the Certificate or will have actual or beneficial use of such property pursuant to a lease, a management, service or incentive payment contract, an arrangement including a take-or-pay or other type of output contract or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from the use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Certificate. If the Village enters into a management contract for any of the project financed with the Certificate, the terms of the contract will comply with the Regulations IRS Revenue Procedure 97-13, as amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in the aggregate relates to no more than 10% of the proceeds of the Certificate.

(b) No more than 10% of the payment of the principal of or interest on the Certificate over the Measurement Period has been or will be (under the terms of the Certificate, the Ordinance or any underlying arrangement), directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or

(ii) derived from payments (whether or not to the Village) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the proceeds of the Certificate has been or will be loaned to any entity or person other than another state or local governmental unit. No more than 5% of the proceeds of Certificate will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Certificate proceeds.

(d) The Village reasonably expects, as of the date hereof, that it will comply with the covenants described in paragraphs (a), (b) and (c) above during the entire term of the Certificate.

(e) During the Measurement Period, no more than 5% of the proceeds of the Certificate will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The Village will not take any action nor fail to take any action with respect to the Certificate that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Certificate pursuant to Section 103 of the Code, nor will it act in any other manner that would adversely affect such exclusion. The Village covenants and agrees not to enter into any contracts or arrangements which would cause the Certificate to be treated as private activity bonds under Section 141 of the Code.

(g) The Certificate is not a private activity bond as defined in Section 141 of the Code.

18. No Hedge Certificate. No more than 50% of the Sale Proceeds will be invested in nonpurpose investments having a substantially guaranteed yield for four years or more. At least 85% of the proceeds of the Certificate will be spent within three years of the issue date of such Certificate.

19. Federal Guarantees. The Certificate is not federally guaranteed as described in Section 149(b) of the Code.

20. Information Return. The Village will file or cause to be filed on or before May 15, 2015, the Information Return for Tax-Exempt Governmental Obligations on Form 8038-G with the Internal Revenue Service Center, Ogden, Utah, 84201, for the issuance of the Certificate. The Village has reviewed the provisions of Form 8038-G incorporated in the transcript for the Certificate and hereby certifies that the information in it is correct.

21. Registered Certificate. The Certificate will be issued in registered form as described in Section 149(a) of the Code.

22. Bank Eligibility. The Village certifies and covenants that:

(a) The Certificate is not a private activity bond as defined in Section 141 of the Code;

(b) The Certificate has been designated as a qualified tax-exempt obligation for purposes of Section 265(b) of the Code;

(c) The reasonably anticipated amount of qualified tax-exempt obligations (including tax-exempt leases and qualified 501(c)(3) obligations but excluding other private activity bonds) which have been or will be issued by or in the name of the Village and all units subordinate to the Village and any entity which issues obligations on behalf of the Village during 2015 will not exceed, in the aggregate, \$10,000,000; and

(d) The Village, any body acting in the name of the Village, any entities subordinate to the Village and any entity which issues obligations on behalf of the Village have not and will not designate more than \$10,000,000 of qualified tax-exempt obligations under Section 265(b) of the Code during 2015, including the Certificate.

23. Rebate Requirement and Yield Restriction Requirement. The Village will make rebate payments or any necessary yield reduction payments (or actually restrict the yield on investments that are yield restricted and do not qualify for yield reduction payments under the Regulations), if any, to the United States Treasury to assure that the Certificate will not be "arbitrage bonds" under Section 148 of the Code. The Village reasonably expects and hereby represents that at least 75% of the Available Construction Proceeds (as hereinafter defined) of the Certificate will be used for construction expenditures with respect to a facility owned by the Village. As set forth in Exhibit B, the Village may not qualify for the rebate exception in Section 148(f)(4)(C) of the Code unless the Village actually spends the Available Construction Proceeds for the governmental purpose of the Certificate as follows:

<u>Minimum Spent</u>	<u>Date</u>
10%	09/17/2015
45%	03/17/2016
75%	09/17/2016
100%	03/17/2017

except that on March 17, 2017, a de minimis amount not to exceed the lesser of \$250,000 or 3% of the Issue Price (approximately \$51,000) of the Available Construction Proceeds may remain, without causing the Certificate to fail the 100% spending requirement. For purposes of determining whether the foregoing expenditure requirements have been met on each of the first

three computation dates, the Village shall include the total amount of reasonably expected earnings in the amount of Available Construction Proceeds through the respective computation date and shall include the actual earnings in the amount of Available Construction Proceeds for the final period. "Available Construction Proceeds" means an amount equal to (i) Issue Price of the Certificate plus (ii) investment earnings on Issue Price of the Certificate and (iii) earnings on the amounts in clause (ii) reduced by (iv) the amount of Issue Price of the Certificate expended for costs of issuance. Because the Village has elected to waive the three year temporary period, the rebate exception would not have any effect on any yield restriction liability. Accordingly, the Village hereby covenants that it shall cause to be calculated and paid, as necessary, the rebate or yield restriction obligation which may be owed on the proceeds of the Certificate. For purposes of the payment of any rebate or yield restriction obligation, the Village hereby selects that the bond years for the Certificate shall end on each anniversary of the Issue Date of the Certificate. The Village certifies and agrees that it will calculate or have calculated and, if necessary, hire nationally recognized bond counsel or a qualified accounting firm to calculate any rebate or yield restriction obligation owed.

24. Intentionally Omitted.

25. Change in Law. It is not an event of default under the Ordinance if the interest on any Certificate is not excludable from gross income for federal tax purposes or otherwise pursuant to or by any provision of the Code which is not currently in effect and in existence on the date of the issuance of the Certificate.

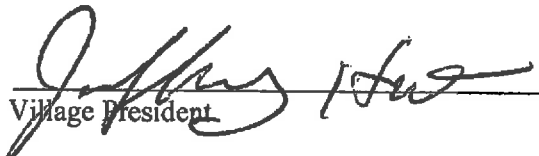
26. Miscellaneous Certifications. We have discussed this Certificate and the provisions of the Code and the applicable Regulations with such professionals as we have deemed necessary. We have been given an opportunity to ask questions of Ice Miller LLP with


respect to the certifications contained above and the information needed to complete such certifications and have discussed such certifications with Ice Miller LLP. Based on all of these discussions, we are satisfied: (a) that we understand the certifications which we have made in this Certificate; and (b) that to the best of our knowledge, information and belief, all of the certifications contained herein to be true, complete and accurate.

27. Miscellaneous Representations. To the best of our knowledge, information, and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change any of the foregoing certifications or conclusions. We understand that this certificate will be relied upon by the Purchaser of the Certificate and by Ice Miller LLP in rendering its opinions as to various legal issues, including the excludability from gross income of interest on the Certificate for federal tax purposes. We further understand that the facts contained in this certificate will be used by the financial advisor to prepare or review the offering materials and disclosure documents to be distributed in connection with the sale of the Certificate. The representations contained in this Certificate may be relied upon by Ice Miller LLP and others in determining whether or not the Certificate constitute arbitrage bond within the meaning of Section 148 of the Code and whether or not the interest on the Certificate is subject to inclusion in gross income for federal income tax purposes under existing statutes, regulations, and decisions.

IN WITNESS WHEREOF, we have hereunto set our hands this 17th day of March, 2015.

**VILLAGE OF TOLONO, CHAMPAIGN
COUNTY, ILLINOIS**

By: 
Its: Village President

By: 
Its: Village Clerk

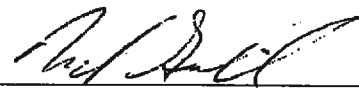
By: 
Its: Village Treasurer Pro Tem

EXHIBIT A

SOURCES AND USES OF FUNDS

Sources of Funds:

Principal Amount of Certificate	\$ <u>1,700,000.00</u>
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Total Sources	\$1,700,000.00
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Uses of Funds:

Project Costs	\$1,688,500.00
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Costs of Issuance	<u>11,500.00</u>
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Total Uses	\$1,700,000.00
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EXHIBIT B
ESTIMATED DRAW SCHEDULE FOR CERTIFICATE
(SEE ATTACHED)

TIF Funds Withdrawal Estimate - Tentative Schedule

North Calhoun Street Storm Sewer Extension

Village of Tolono, Illinois

FGI File #14T117.00

12-Mar-15

Assumptions:

- 1) Project Cost = \$1,700,000
- 2) Construction Start = April 2015
- 3) Construction Award Scope = Base Bid plus Bid Alternate #1

Month-Year	Est. Withdrawal Amount*	Cumulative Withdrawal
April 2015	\$ 154,000	\$ 154,000
May 2015	\$ 260,000	\$ 414,000
June 2015	\$ 240,000	\$ 654,000
July 2015	\$ 240,000	\$ 894,000
August 2015	\$ 240,000	\$ 1,134,000
September 2015	\$ 240,000	\$ 1,374,000
October 2015	\$ 240,000	\$ 1,614,000
November 2015	\$ 54,000	\$ 1,668,000
December 2015	\$ 32,000	\$ 1,700,000

**Estimated figures only; Actual monthly withdrawal amounts may vary depending on the costs incurred each month.*

EXHIBIT C

CERTIFICATE YIELD AND WEIGHTED
AVERAGE MATURITY CALCULATION

[From Purchaser's Final Numbers Run]

**TOLONO TIF DISTRICT
AMORTIZATION SCHEDULE
\$1,700,000 G.O. DEBT CERTIFICATE**

3/16/2015

Years Out	Due Date	Calendar Year of Receipts	Net R.E. Tax Increment Available	Beginning Balance	Interest Rate	Interest Paid	Principal Paid	Total Payment	Ending Balance	Balance of Net TIF RE Tax Increment
	9/17/2015					\$28,050				
1	3/17/2016	2015	\$80,773	\$1,700,000	3.3%	\$28,050	\$5,000	\$61,100	\$1,695,000	\$19,673
	9/17/2016					\$27,968				
2	3/17/2017	2016	\$159,045	\$1,695,000	3.3%	\$27,968	\$70,000	\$125,935	\$1,625,000	\$33,110
	9/17/2017					\$26,813				
3	3/17/2018	2017	\$148,527	\$1,625,000	3.3%	\$26,813	\$60,000	\$113,625	\$1,565,000	\$34,902
	9/17/2018					\$25,823				
4	3/17/2019	2018	\$147,227	\$1,565,000	3.3%	\$25,823	\$60,000	\$111,645	\$1,505,000	\$35,582
	9/17/2019					\$26,338				
5	3/17/2020	2019	\$151,532	\$1,505,000	3.5%	\$26,338	\$65,000	\$117,675	\$1,440,000	\$33,857
	9/17/2020					\$25,200				
6	3/17/2021	2020	\$151,349	\$1,440,000	3.5%	\$25,200	\$65,000	\$115,400	\$1,375,000	\$35,949
	9/17/2021					\$24,063				
7	3/17/2022	2021	\$146,809	\$1,375,000	3.5%	\$24,063	\$65,000	\$113,125	\$1,310,000	\$33,684
	9/17/2022					\$22,925				
8	3/17/2023	2022	\$148,079	\$1,310,000	3.5%	\$22,925	\$70,000	\$115,850	\$1,240,000	\$32,229
	9/17/2023					\$22,320				
9*	3/17/2024	2023	\$315,821	\$1,240,000	3.6%	\$22,320	\$245,000	\$289,640	\$995,000	\$26,181
	9/17/2024					\$17,910				
10*	3/17/2025	2024	\$398,732	\$995,000	3.6%	\$17,910	\$335,000	\$370,820	\$660,000	\$27,912
	9/17/2025					\$11,880				
11*	3/17/2026	2025	\$377,697	\$660,000	3.6%	\$11,880	\$325,000	\$348,760	\$335,000	\$28,937
	9/17/2026					\$6,030				
12*	3/17/2027	2026	\$378,107	\$335,000	3.6%	\$6,030	\$335,000	\$347,060	\$0	\$31,047
TOTALS			\$2,603,695			\$530,635	\$1,700,000	\$2,230,635		\$373,060

*Interest rate for years 9-12 is FHLBC 4 year rate plus 1.75%, capped at 5%, which is 3.6% as of 12/29/14.

EXHIBIT D

CERTIFICATE OF PURCHASER

The undersigned, Hickory Point Bank & Trust (the "Purchaser"), as purchaser of \$1,700,000 General Obligation Debt Certificate, Series 2015 (the "Certificate"), described in Schedule 1 attached hereto, has investigated certain aspects of the issuance thereof. We understand that Ice Miller LLP, Bond Counsel, and the Village of Tolono, Champaign County, Illinois (the "Village") are relying on the representations contained herein in ascertaining whether the Certificate comply with federal tax requirements for tax-exempt bonds. These representations and other information are as follows, based upon the information available to us:

1. The calculation attached as Schedule 2 demonstrates that the yield on the Certificate is 3.40%. Such calculation treats the prices (or yields) described above as the "issue price" of the Certificate.

2. We have been asked by Certificate Counsel to calculate the weighted average maturity of the Certificate in the following manner: divide (a) the sum of the products determined by taking the issue price of each maturity of the Certificate times the number of years from the date hereof to the date of such maturity, by (b) the aggregate "issue price" of the Certificate. Based on this calculation, the weighted average maturity of the Certificate is 8 years.

3. The Purchaser has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of purchasing the Certificate.

4. The Purchaser represents that the Village has made information available to the Purchaser during the course of the transaction and prior to the purchase of the Certificate, and has given representatives of the Purchaser the opportunity to ask questions and receive answers concerning the terms and conditions of the Certificate offering and to obtain any additional information relative to the financial plans of the Village.

5. The Purchaser hereby represents that it has been offered access to all information about the Village which it has determined to be relevant to its decision to make the investment in the Certificate.

6. The Purchaser understands that the Certificate has not been registered under the Securities Act of 1933, as amended, and represents that it is purchasing the Certificate for investment for its own account and not with the present view of transferring the Certificate or any portion thereof, but the Purchaser reserves the right to sell, assign or otherwise transfer the Certificate to any other owner in accordance with the then applicable provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

Dated this 17 day of March, 2015.

**HICKORY POINT BANK & TRUST, as
Purchaser**

By: 

Name: JAN L. MILLER

Title: SIP

SCHEDULE I

Designation:	Village of Tolono, Champaign County, Illinois, General Obligation Debt Certificate, Series 2015
Total issue:	\$1,700,000
Originally Dated:	March 17, 2015
Denomination:	\$5,000 each or integral multiples thereof
Interest Payment Dates:	Payable semiannually on each March 17 and September 17 of each year, beginning on September 17, 2015
Maturities and Interest Rates:	Maturing on March 17, 2027 and payable in the years and amounts and bearing interest at the rates as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2016	\$ 5,000	3.3%
2017	\$ 70,000	3.3%
2018	\$ 60,000	3.3%
2019	\$ 60,000	3.3%
2020	\$ 65,000	3.5%
2021	\$ 65,000	3.5%
2022	\$ 65,000	3.5%
2023	\$ 70,000	3.5%
2024	\$ 245,000	*
2025	\$ 335,000	*
2026	\$ 325,000	*
2027	\$ 335,000	*

*Four-year Federal Home Loan Bank Chicago (FHLBC) rate on September 17, 2023 plus 1.75% with a cap of 5%.

SCHEDULE 2

TOLONO TIF DISTRICT
AMORTIZATION SCHEDULE
\$1,700,000 G.O. DEBT CERTIFICATE

3/16/2015

Years Out	Due Date	Calendar Year of Receipts	Net R.E. Tax Increment Available	Beginning Balance	Interest Rate	Interest Paid	Principal Paid	Total Payment	Ending Balance	Balance of Net TIF RE Tax Increment
	9/17/2015					\$28,050				
1	3/17/2016	2015	\$80,773	\$1,700,000	3.3%	\$28,050	\$5,000	\$61,100	\$1,695,000	\$19,673
	9/17/2016					\$27,968				
2	3/17/2017	2016	\$159,045	\$1,695,000	3.3%	\$27,968	\$70,000	\$125,935	\$1,625,000	\$33,110
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	9/17/2022					\$22,925				
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	9/17/2023					\$22,320				
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	9/17/2026					\$6,030				
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TOTALS			\$2,603,695			\$530,635	\$1,700,000	\$2,230,635		\$373,060

*Interest rate for years 9-12 is FHLBC 4 year rate plus 1.75%, capped at 5%, which is 3.6% as of 12/29/14.

EXHIBIT E
TAX COMPLIANCE PROCEDURES
MARCH 17, 2015

The following procedures (the "Procedures") are adopted by the Village of Tolono, Champaign County, Illinois (the "Issuer") to ensure that any obligations issued by the Issuer, the interest on which is excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or (any such obligations, "Certificate"), satisfy and will continue to satisfy all requirements of the Code and the regulations thereunder (the "Regulations").

The Procedures supplement, but do not replace, any other procedures of the Issuer. The Procedures may be supplemented or amended at any time and from time to time by the Issuer, with the advice of nationally recognized bond counsel, but without any notice to or consent from any trustee, any certificateholder or any other person. Noncompliance with the Procedures is permitted, with the advice of nationally recognized bond counsel, but without any notice to or consent from any trustee, any certificateholder or any other person, if (i) compliance would impose unreasonable burdens on the Issuer and (ii) noncompliance would not cause any Certificate to fail to satisfy all requirements of the Code and the Regulations.

General

1. The Treasurer or Treasurer Pro Tem of the Issuer (the "Compliance Officer") shall be primarily responsible for monitoring compliance with the Code and the Regulations.
2. The Compliance Officer may delegate any such responsibility to any officer, employee, attorney or agent of the Issuer, if, such officer's employee's, attorney's or agent's discharge of such responsibility is under the supervision of the Compliance Officer.
3. The Compliance Officer and any such officers, employees, attorneys or agents shall be provided training and educational resources necessary to ensure compliance with the Code and the Regulations.

Issuance

4. Upon issuance of any Certificate, the Compliance Officer shall obtain, review and retain a copy of any tax or arbitrage certificates or agreements of the Issuer with respect to the Certificate (the "Tax Certificate").
5. The Compliance Officer shall cause an Internal Revenue Service Information Return (e.g., Form 8038-G) for any Certificate (an "Information Return") to be filed with the Internal Revenue Service not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Certificate is issued.

Post-Issuance

6. The Compliance Officer shall monitor the yield on the investment of Certificate proceeds (including compliance with any yield restrictions or temporary periods).

7. The Compliance Officer shall monitor the timely expenditure of Certificate proceeds.

8. The Compliance Officer shall monitor the proper use of Certificate proceeds and any facilities financed thereby.

9. The Compliance Officer shall, on or before each anniversary of the date of issuance of any Certificate, determine whether the Issuer has paid all amounts required to be rebated to the United States under Section 148(f) of the Code and Section 1.148-3 of the Regulations.

10. The Compliance Officer shall, on or before each anniversary of the date of issuance of any Certificate, determine whether Issuer has made all yield reduction payments required to be made to the United States under Section 1.148-5(c) of the Regulations.

11. The Compliance Officer shall monitor the investment, expenditure and use of Certificate proceeds, to ensure timely identification of any violations of federal tax requirements and timely correction of any identified violations through remedial actions described in Section 1.141-12 of the Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31.

12. The Compliance Officer shall monitor use of Certificate proceeds, and any facilities financed thereby, to ensure that not more than 5% of Certificate proceeds, or any facilities financed thereby, are:

- (a) owned by any nongovernmental person;
- (b) leased to any nongovernmental person;
- (c) subjected to any management, service or incentive payment contract with any nongovernmental person, under which such nongovernmental person provides services involving all, any portion or any function of such facilities, unless such contract satisfies the conditions under which it would not result in private business use set forth in Revenue Procedure 97-13 (1997-1 C.B. 623), as amended from time to time;
- (d) subjected to any agreement by any nongovernmental person to sponsor research, unless such agreement satisfies the conditions under which it would not result in private business use set forth in Revenue Procedure 2007-47 (2007-29 I.R.B. 108), as amended from time to time; or
- (e) subjected to any other arrangement that conveys special legal entitlements for beneficial use thereof that are comparable to special legal entitlements described in subparagraph (a), (b), (c) or (d).

Record Retention

13. The following documents shall be maintained, on paper or by electronic means (*e.g.*, CD, disks, tapes), for the life of any Certificate, plus 3 years:

- Tax Certificate
- Information Return
- Audited Financial statements
- Certificate transcripts, official statements and other offering documents
- Minutes and resolutions authorizing the issuance of the Certificate
- Certifications of the issue price of the Certificate
- Any formal elections for the Certificate (*e.g.*, election to employ an accounting methodology other than specific tracing)
- Appraisals, demand surveys or feasibility studies for Certificate-financed property, if any
- Documents related to government grants associated with construction, renovation or purchase of Certificate-financed facilities, if any
- Trustee statements for the Certificate, if any
- Reports of any IRS examinations of the Issuer or the Certificate
- Documentation of allocations of investments and investment earnings to the Certificate
- Documentation for investments of the Certificate proceeds related to;
 - Investment contracts (*e.g.*, guaranteed investment contracts)
 - Credit enhancement transactions (*e.g.*, Certificate insurance contracts)
 - Financial derivatives (swaps, caps, etc)
 - Bidding of financial products
- The following arbitrage-related documents for the Certificate:
 - Computations of Certificate yield
 - Computation of rebate and yield reduction payments
 - Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
 - Form 8038-R, Request for Recovery of Overpayments Under Arbitrage Rebate Provisions

- Documentation of allocations of Certificate proceeds to expenditures (*e.g.*, allocation of Certificate proceeds to expenditures for the construction, renovation or purchase of facilities)
- Documentation of allocations of Certificate proceeds to issuance costs
- Copies of requisitions, draw schedules, draw requests, invoices, bills and cancelled checks related to Certificate proceeds spent during the construction period
- Copies of all contracts entered into for the construction, renovation or purchase of Certificate-financed facilities
- Records of expenditure reimbursements incurred prior to issuing the Certificate for facilities financed with Certificate proceeds
- A list or schedule of all Certificate-financed facilities or equipment
- Documentation that tracks the purchase and sale of Certificate-financed assets
- Records of trade or business activities by third parties allocated to Certificate-financed facilities, if any
- Copies of the following agreements when entered into with respect to Certificate-financed property:
 - Management and other service agreements
 - Research contracts
 - Naming rights contracts
 - Ownership documentation (*e.g.*, deeds, mortgages)
 - Leases
 - Subleases
 - Leasehold improvement contracts
 - Joint venture arrangements
 - Limited liability corporation arrangements
 - Partnership arrangements
 - Take contracts, take or pay contracts, or requirements contracts

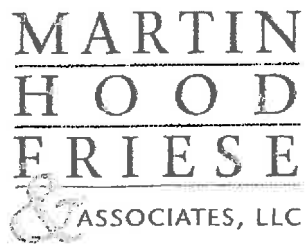
ATTACHMENT "K"

VILLAGE OF TOLONO, ILLINOIS Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis *Governmental Funds* For the Year Ended April 30, 2015

	General Fund	Police Fund	Street and Alley Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	Total
Revenues						
Local Taxes:						
Property Tax	\$ 132,742	\$ 18,805	\$ -	\$ -	\$ -	\$ 151,547
Municipal Utility Tax	20,742	-	-	-	-	20,742
Road and Bridge Allocation	-	-	26,866	-	-	26,866
TIF District Receipts	-	-	-	-	1,198,220	1,198,220
State Taxes:						
Income Tax	334,722	-	-	-	-	334,722
Motor Fuel Tax	-	-	-	106,264	-	106,264
Sales Tax	241,060	-	-	-	-	241,060
Use Tax	66,379	-	-	-	-	66,379
Replacement Tax	7,910	-	-	-	-	7,910
Gaming Tax	-	-	23,676	-	-	23,676
Other:						
Licenses and Permits	-	-	8,221	-	-	8,221
Fines	-	13,693	-	-	-	13,693
Interest Income	-	-	-	83	-	83
Rental Income	12,465	-	-	-	-	12,465
Miscellaneous	337	8,653	2,291	-	-	11,281
Total Revenues	<u>816,357</u>	<u>41,151</u>	<u>61,054</u>	<u>106,347</u>	<u>1,198,220</u>	<u>2,223,129</u>
Expenditures						
Current:						
General Government	169,757	-	-	-	-	169,757
Public Works	46,325	-	154,889	8,130	-	209,344
Public Safety	32,473	292,709	-	-	-	325,182
Recreation	20,878	-	-	-	-	20,878
Redevelopment	-	-	-	-	1,298,735	1,298,735
Debt Service:						
Principal Repayments	-	-	-	-	100,000	100,000
Interest Expense	-	-	-	-	91,508	91,508
Capital Outlay	71,267	30,100	50,433	-	4,813	156,613
Total Expenditures	<u>340,700</u>	<u>322,809</u>	<u>205,322</u>	<u>8,130</u>	<u>1,495,056</u>	<u>2,372,017</u>
Excess (Deficit) of Revenue Over Expenditures	<u>475,657</u>	<u>(281,658)</u>	<u>(144,268)</u>	<u>98,217</u>	<u>(296,836)</u>	<u>(148,888)</u>
Other Financing Sources (Uses)						
Debt Certificate Proceeds	-	-	-	-	170,814	170,814
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,814</u>	<u>170,814</u>
Net Change in Fund Balances	<u>475,657</u>	<u>(281,658)</u>	<u>(144,268)</u>	<u>98,217</u>	<u>(126,022)</u>	<u>21,926</u>
Fund Balances, May 1, 2014	<u>721,324</u>	<u>(57,677)</u>	<u>(7,432)</u>	<u>112,209</u>	<u>575,937</u>	<u>1,344,361</u>
Fund Balances, April 30, 2015	<u>\$ 1,196,981</u>	<u>\$ (339,335)</u>	<u>\$ (151,700)</u>	<u>\$ 210,426</u>	<u>\$ 449,915</u>	<u>\$ 1,366,287</u>
Reconciliation to the Statement of Activities						
Net Changes in Fund Balances						\$ 21,926
Principal Advances on Debt Certificates						(170,814)
Principal Repayment on Bonds Payable						100,000
Change in Net Position of Governmental Activities						<u>\$ (48,888)</u>

See Accompanying Notes

ATTACHMENT "L"



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Fax 217.351.7726
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INDEPENDENT AUDITOR'S REPORT
ON TAX INCREMENT FINANCING

Board of Village Trustees
Village of Tolono, Illinois
Tolono, Illinois

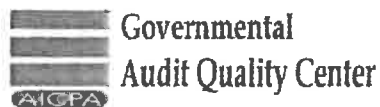
We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements and related notes of the Village of Tolono, Illinois as of and for the year ended April 30, 2015, as listed in the table of contents, and have issued our report thereon dated August 04, 2015.

In connection with our audit, we tested expenditures of the Village of Tolono, Illinois' Tax Increment Financing district. The results of our tests indicate that for the items tested, the Village of Tolono, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing". Additionally, nothing came to our attention that caused us to believe that the Village of Tolono, Illinois was not in compliance with the statutory requirements of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village of Tolono, Illinois' noncompliance with the above-referenced statutory requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Village Trustees, management, and others within the Village of Tolono, Illinois, and the Comptroller of the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
August 04, 2015



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Village Of Tolono
TIF District
Intergovernmental Agreements

ATTACHMENT M

1. Tolono Community School District #7

During the 2015 Fiscal Year, \$257,592 was paid from the TIF District to the School District.

2. Tolono Library District

During the 2015 Fiscal Year, there were no funds paid from the TIF District to the Library District.

3. Tolono Fire Protection District

During the 2015 Fiscal Year, there was \$250,000 paid to the Fire Protection from the TIF District.

4. Tolono Park District

During the 2015 Fiscal Year, there were no payments to the Park District from the TIF District.