

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:	Downtown Redevelopment Project Area
Primary Use of Redevelopment Project Area*:	Combination/Mixed Use
If "Combination/Mixed" List Component Types:	Commercial/Residential
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	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	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

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: Downtown Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ -

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 1,435,919	\$ 7,192,512	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 656	\$ 18,609	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			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 \$ 1,436,575

Cumulative Total Revenues/Cash Receipts \$ 7,211,121 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,436,531

Distribution of Surplus

Total Expenditures/Disbursements \$ 1,436,531

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 44

FUND BALANCE, END OF REPORTING PERIOD* \$ 44

* 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) \$ (56,565,724)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2015

TIF NAME: Downtown Redevelopment Project Area

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

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

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Professional Services	3,497	
		\$ 3,497
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
JRH MRH LLC for purchase of Land	1,213	
		\$ 1,213
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Repayment of principal of 2007 bonds used for Parking Decks	351,096	
Repayment of principal of 2009 refunding bonds used for the Children's Discovery Museum and Parking Decks	530,000	
		\$ 881,096
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

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)		
Heartland Bank and Trust	55,421	
Steinbach	21,069	
Frederick J Hafner, Jr	18,073	
		\$ 94,563
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		\$ 1,436,531

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: Downtown Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 44

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

2003 Bond Issue/2009 Bond Refunding	\$ 10,000,000	\$ 5,274,868
2004 Bond Issue/2012 Bond Refunding	\$ 10,000,000	\$ 2,427,776
2005 Bond Issue/2013 Bond Refunding	\$ 10,000,000	\$ 6,952,765
2006 Bond Issue	\$ 10,000,000	\$ 10,000,000
2007 Bond Issue	\$ 24,700,000	\$ 17,034,640
2008 Bond Issue	\$ 10,000,000	\$ 5,990,727

Total Amount Designated for Obligations \$ 74,700,000 \$ 47,680,776

2. Description of Project Costs to be Paid

Property Assembly Cost		\$ 947,420
Public Parking		\$ 1,098,550
Roads, Plaza, Utilities		\$ 718,874
Public Facilities		\$ 3,105,493
Grants and Loans		\$ 1,596,439
Other Public Improvements		\$ 279,172
Professional Services		\$ 1,139,044

Total Amount Designated for Project Costs \$ 8,884,992

TOTAL AMOUNT DESIGNATED \$ 56,565,768

SURPLUS*/(DEFICIT) \$ (56,565,724)

* 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: Downtown Redevelopment Project Area

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

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: Downtown Redevelopment Project Area

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>7</u> _____			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 96,973,000	\$ -	\$ 96,973,000
Public Investment Undertaken	\$ 54,804,916	\$ 117,369	\$ 56,431,461
Ratio of Private/Public Investment	1 10/13		1 51/71

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

Children's Discovery Museum			
Private Investment Undertaken (See Instructions)	\$ -		\$ -
Public Investment Undertaken	\$ 9,164,203		\$ 9,164,203
Ratio of Private/Public Investment	0		0

Project 2:

Hotel & Parking			
Private Investment Undertaken (See Instructions)	\$ 56,000,000		\$ 56,000,000
Public Investment Undertaken	\$ 28,233,536		\$ 28,233,536
Ratio of Private/Public Investment	1 59/60		1 59/60

Project 3:

College Avenue Parking Deck			
Private Investment Undertaken (See Instructions)	\$ -		\$ -
Public Investment Undertaken	\$ 16,592,715		\$ 16,592,715
Ratio of Private/Public Investment	0		0

Project 4:

Heartland Bank			
Private Investment Undertaken (See Instructions)	\$ 9,100,000		\$ 9,100,000
Public Investment Undertaken	\$ 351,446	\$ 57,003	\$ 1,130,096
Ratio of Private/Public Investment	25 25/28		8 1/19

Project 5:

Steinbach Inc			
Private Investment Undertaken (See Instructions)	\$ 3,857,000		\$ 3,857,000
Public Investment Undertaken	\$ 68,967	\$ 21,748	\$ 395,063
Ratio of Private/Public Investment	55 62/67		9 29/38

Project 6:

Hafner			
Private Investment Undertaken (See Instructions)	\$ 1,400,000		\$ 1,400,000
Public Investment Undertaken	\$ 142,836	\$ 18,618	\$ 392,868
Ratio of Private/Public Investment	9 4/5		3 31/55

Project 7:			
JRH MRH			
Private Investment Undertaken (See Instructions)	\$ 26,616,000		\$ 26,616,000
Public Investment Undertaken	\$ 251,213	\$ 20,000	\$ 522,980
Ratio of Private/Public Investment	105 19/20		50 25/28

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



September 25, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Re: Report of Annual Activities – Normal Downtown Renewal Redevelopment Project Area
April 1, 2014 - March 31, 2015

Dear Local Government Compliance Manager:

Pursuant to the Tax Increment Allocation Redevelopment Act, the Town of Normal hereby submits the annual Tax Increment Finance Report for Normal for the period from April 1, 2014 through March 31, 2015.

I hereby certify that the Town of Normal has complied with all requirements of the Tax Increment Allocation Redevelopment Act, including reporting requirements during Fiscal Year 2014-15.

Should you have any questions concerning our annual report, please contact Andrew Huhn, Finance Director (309) 454-2444.

Sincerely,

A handwritten signature in black ink that reads "Christopher Koos".

Christopher Koos
Mayor

Enclosure



September 25, 2015

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Re: Report of Annual Activities – Normal Downtown Renewal Redevelopment Project Area
April 1, 2014 – March 31, 2015

Dear Local Government Compliance Manager:

I am legal counsel for the Town of Normal, Illinois (the "Town"), and in accordance with the requirements of Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code, I have examined, *inter alia*, the following:

1. The Annual Tax Increment Finance Report for Normal Downtown Renewal Redevelopment Project Area dated September 25, 2015.
2. A letter dated September 25, 2015, from Christopher Koos, Mayor, addressed to the Office of the Comptroller as addressed above regarding the certification by the Mayor as the Chief Executive Office of the Town, as required by Section 11-74.4-5.

Based on the foregoing and in reliance on the factual matters contained therein, but without having independently verified the accuracy or completeness of those factual matters, I am of the opinion that the Town was in compliance with the Act during the period covered by the reported information.

Sincerely,

A handwritten signature in blue ink that reads "B. D. Day".

Brian Day
Corporation Counsel

Attachment D

The Town undertook a new activity in furtherance of the objectives of the Redevelopment Plan:

1. The Town sold a partial piece of land to Uptown Circle LLC to begin the Hyatt Hotel Project. The partial sale of parcel 14-28-431-018 was signed over on May 9, 2014. The parcel has since been re-parceled to account for the partial land sale. The parcel that Uptown Circle LLC now owns is 14-28-431-021 and the Town of Normal still owns 14-28-431-022
2. The Town approved a reciprocal easement agreement with Uptown Circle LLC for the Hyatt Hotel project. This agreement allows the Hotel to construct a canopy and sign that extends over the sidewalk on the Town owned public right-of-way.

Attachment E

Redevelopment Agreements, amendments, and/or grants, and/or loans, or land disposition agreements was approved for the following project:

1. In accordance with a previous agreement, the Town of Normal sold a partial piece of land, 14-28-431-018, to Uptown Circle LLC. The deed was signed over on May 9, 2014. The parcel has since been re-parceled to account for the partial land sale. The parcel that Uptown Circle LLC now owns is 14-28-431-021 and the Town of Normal still owns 14-28-431-022
2. The Town approved a reciprocal easement agreement with Uptown Circle LLC for the Hyatt Hotel project. This agreement allows the Hotel to construct a canopy and sign that extends over the sidewalk on the Town owned public right-of-way.

28
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2

NOV 14 2014

This Instrument was prepared by,
and when recorded should be returned to:

Steven D Mahrt
Ancei Glink Diamond Bush DiCianni & Krafthefer P.C.
207 W Jefferson Street
Suite 402
Bloomington, IL 61701

Type: OFFICIAL RECORDS
Recorded: 11/10/2014 08:19:42 AM
Fee Amt: \$47.00 Page 1 of 23
IL Rental Housing Fund: \$5.00
McLean County IL
Kathy Michael McLean County Clerk
File# 2014-00019377

Property Address:

P.I.N.: 14-28-431-021

RECIPROCAL EASEMENT AGREEMENT

between

THE TOWN OF NORMAL

and

UPTOWN CIRCLE, LLC

RECIPROCAL EASEMENT AGREEMENT

This Reciprocal Easement Agreement ("Agreement") is made and entered into as of this 26th day of ~~September~~ ^{October}, 2014 by and among the Town of Normal, an Illinois Home Rule unit of local government with offices at 11 Uptown Circle, Normal, Illinois 61761 (herein "Town") and Uptown Circle, L.L.C. an Illinois limited liability company with offices at 161 N. Clark St. Chicago, Illinois 60601 (herein "Circle").

Suite
4900

RECITALS:

- A. On March 4, 2014, Town entered into a Revised Redevelopment Agreement ("RDA") with Uptown Circle Development Inc. for the redevelopment of the property known as Lots 1 and 2 in Uptown Circle Subdivision to the Town of Normal ("Project Property");
- B. Circle intends to develop on Lot 1 of Uptown Circle Subdivision a Hyatt Place Hotel consisting of 114 rooms and approximately 79,536 square feet under roof ("Project");
- C. Town conveyed the Project Property to Circle according to the terms of the RDA and Circle assumed the redevelopment obligations under the terms of the RDA;
- D. The proposed Project includes the construction of a canopied access way and identification sign on a portion of Broadway Avenue as described in Exhibits 1 and 2 attached hereto ("Easement Areas");
- E. Town agrees to provide an easement in Broadway Avenue for the canopied access way and identification sign. The easements, covenants and restrictions set forth in this Easement Agreement are intended to create interests in real property, run with the land, be binding upon the parties, future owners and subject to the certain rights of suspension and termination as provided herein, be irrevocable.

NOW THEREFORE, and in consideration of the Project, the material covenants and benefits contained herein, ten and no/100 dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Town and Circle agree as follows:

ARTICLE I

DECLARATIVE PURPOSES; GENERAL

1.1 Recitals Incorporated. The foregoing Recitals are hereby incorporated into this Agreement as though fully set forth in this Section 1.1.

1.2 Interpretation. In this Agreement, unless a clear contrary intention appears: (a) reference to any Person includes such Person's successors and assigns; (b) reference to any agreement (including this Agreement), document or instrument (or any exhibit or attachment thereto) means such agreement, document or instrument (or exhibit or attachment thereto) as amended, modified, supplemented, appended, renewed, extended, restated and in effect from

time to time in accordance with the terms thereof and, to the extent applicable, the terms hereof; (c) reference to any Article, Section or Exhibit means such Article, Section or Exhibit to this Agreement; (d) "hereunder," "hereof," "hereto," "herein" and words of similar import are references to this Agreement as a whole and not to any particular Section or other provision hereof; (e) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (f) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including"; and (g) reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder.

1.3 Declaration. To further the general purposes herein expressed, Town and Circle, for themselves, their successors and assigns, hereby declare that the Project, whether or not this Agreement is referred to in any deed of conveyance of all or any portion thereof, at all times is and shall be held, transferred, sold, conveyed, occupied, used, operated and developed subject to the terms, provisions, conditions, covenants, restrictions and easements herein set forth. The provisions of this Agreement are intended to create an equitable servitude upon the Easement Areas in favor of the Project upon and subject to the terms and provisions of this Agreement; to create privity of contract and estate between the parties, their heirs, successors and assigns; and to operate as a covenant running with the land for the benefit of the Project, and the respective Owners of such Project, present and future.

ARTICLE II **DEFINITIONS**

2.1 Definitions.

- (a) "**Agreement**" shall have the meaning as set forth in the first Paragraph hereof.
- (b) "**Alterations**" shall mean any work that will alter the exterior appearance of the Facilities.
- (c) "**Anniversary Date**" shall have the meaning set forth in Section 7.5(a).
- (d) "**Applicable Law**" shall mean all laws, statutes, acts, ordinances, rules, regulations, permits, licenses, authorizations, directives, orders and requirements of all Governmental Authority, that now or hereafter during the term of this Agreement may be applicable to the Parties and the construction, maintenance, use and operation of the Project, including those relating to employees, zoning, building, health, safety, Hazardous Materials, and accessibility of public facilities.
- (e) "**Cure Rights**" shall have the meaning set forth in Section 9.3.
- (f) "**Default Interest Rate**" shall mean the lesser of: (i) four percent (4%) per annum in excess of the "Prime Rate," and (ii) the highest rate of interest allowable under Illinois law. The "Prime Rate" shall be the prime rate of interest announced

as such from time to time by Chase Bank or its successor. If there shall be no such announced rate of such bank or its successor, then the "Prime Rate" shall be such equivalent rate as is charged from time to time by major money-center banks.

- (g) **"Default Notice"** shall have the meaning set forth in Section 9.3.
- (h) **"Defaulting Party"** shall mean an Owner who has failed to make any payment of money owed under this Agreement to the other Owner or to perform any of its duties or obligations as and when required under this Agreement.
- (i) **"Easement Areas"** as depicted in exhibits 1 and 2 attached hereto.
- (j) **"Emergency Situation"** shall mean a situation (i) impairing or imminently likely to impair structural support of any portion of the Facilities or Project or (ii) causing or imminently likely to cause (x) bodily injury or death to persons, (y) substantial physical damage to any property in, on, under, within, upon adjacent to or about the Project or Easement Areas or (z) substantial economic loss to a Party.
- (k) **"Facilities"** shall mean the following improvements located within the Easement Areas:
 - 1. Ingress and egress driveway together with pedestrian walkways;
 - 2. A building canopy cantilevered over the adjacent pedestrian walkway;
 - 3. The building cornice;
 - 4. An identification sign or signs; and
 - 5. Landscaping
- (l) **"Governmental Authority"** means any agency, authority, board, branch, division, department or similar unit of any federal, state, county, municipal, district, or other governmental entity or unity having jurisdiction over or validly imposing requirements on the parties, the Project, or the Easement Areas.
- (m) **"Hazardous Materials"** shall include, without limitation, petroleum and petroleum products, flammable explosives, radioactive materials, polychlorinated biphenyls, asbestos in any form that is or could become friable, paint-with-more-than-03-percent-lead-by-dry weight, hazardous waste, toxic or hazardous substances or other related materials whether solid, semisolid, liquid, or gaseous in nature and in the form of a chemical, element, product, by-product, article compound, solution, mixture or otherwise including, but not limited to, those materials defined as "hazardous substances", "extremely hazardous substances", "hazardous chemicals", "hazardous materials", "toxic substances", "toxic

chemicals", "air pollutants", "toxic pollutants", "hazardous wastes", "extremely hazardous waste", or "restricted hazardous waste" by Applicable Law.

- (n) **"Index"** shall have the meaning set forth in Section 7.4(a).
- (o) **"Losses"** shall mean losses, liabilities, damages, claims, judgments, fines, liens, costs, interest and expenses of any kind or nature (including reasonable attorneys' fees and disbursements), and including all costs of repairing any damage to the Easement Areas, and any utilities or improvements thereon to which a particular indemnity and hold harmless agreement applies.
- (p) **"Owner" and "Owners"** shall mean Town as to the Easement Areas and Broadway Avenue, and Circle as to the Project Property and Facilities, both of them, or their successors in interest.
- (q) **"Permittees"** shall mean the Owners, all persons authorized as invitees of an Owner or entitled by lease or license to use or occupy space within the Project, the Project Parcel and the Easement Areas, and their respective officers, directors, employees, agents, partners, contractors, invitees and licensees.
- (r) **"Person"** shall mean any individual, public or private corporation, partnership, limited liability company, county, district, authority, municipality, political subdivision or other entity of the State of Illinois or the United States of America, and any partnership, association, firm, trust, estate or any other entity or organization whatsoever.
- (s) **"Prohibited Use"** shall mean any use or occupancy of the Project that violates any applicable Requirements. Prohibited Use also includes the use of any part of the Easement Areas for: (i) any purpose that constitutes a public or private nuisance, (ii) any mobile home or trailer court, labor camp, junk yard, stock yard or animal raising, (iii) any drilling for and/or removal of subsurface substances, (iv) any dumping of garbage or refuse, other than in enclosed receptacles intended for such purpose, or (v) if after construction of the Facilities within the easement areas it becomes apparent that the location or condition of the Facilities has created a situation causing a risk of personal injury or property damage to the public such that it is not reasonably safe to allow the Facilities to occupy the Easement areas without modifying such facilities and Circle, after reasonable notice and opportunity, has failed to correct or alter the Facilities to abate the unreasonable condition.
- (t) **"Project"** is defined in the Recitals hereto.
- (u) **"Project Parcel"** shall be the parcel of land upon which the Project is constructed.

- (v) **"Recorder's Office"** shall mean the Office of the County Recorder of McLean County, Illinois.
- (w) **"RDA"** shall have the meaning set forth in the Recitals hereto.
- (x) **"Redevelopment Plan"** shall mean the Town of Normal Downtown Renewal Tax Increment Redevelopment Plan dated February 24, 2003 which was adopted by the Town on May 5, 2007 by Ordinance No. 4868, as amended.
- (y) **"Requirements"** shall mean collectively:
 - (i) Applicable Laws; and
 - (ii) the requirements of any insurance providers with respect to the Project, Facilities, and the Easement Areas, and/or any utility service providers with respect to the Project, Facilities, and the Easement Areas

To the extent that any Requirement affects or applies to only a portion of the Easement Areas, Facilities, or Project, then such Requirement shall constitute a "Requirement" for purposes of this Agreement only to the extent of the portion of the Easement Areas, Facilities, or Project affected thereby.
- (z) **"Site Plan"** shall mean the site plan for the Easement Area Facilities.
- (aa) **"Structural Support"** shall mean all construction elements (including, without limitation, footings, foundations, slabs, caissons, columns, beams, braces and trusses) that are load bearing or that are necessary for the structural integrity of the Project or the Facilities.
- (bb) **"Town"** means The Town of Normal, Illinois.
- (cc) **"Unavoidable Delays"** shall mean the inability of a Person to fulfill, or delay in fulfilling, any of its obligations under this Agreement expressly or impliedly to be performed by such Person, if such Person's inability or delay is due to or arises by reason of any cause beyond such Person's reasonable control, including governmental preemption in connection with a national emergency, Requirements or shortages, or unavailability of labor, fuel, steam, water, electricity or materials, or delays caused by acts of God, acts of war, acts of terrorism, shortages and other effects of blockades, enemy action, civil commotion, fire or other casualty.
- (dd) **"Utility Use"** shall have the meaning set forth in Section 3.2(b).

ARTICLE III
EASEMENTS

3.1 **General Terms Regarding Easements.** All easements granted pursuant to this Article III shall be subject to, and construed in accordance with, the following provisions, except as otherwise expressly provided in this Agreement:

- (a) **General.** All easements granted herein are perpetual and, unless provided otherwise in this Agreement, are irrevocable and for the benefit of Circle and its respective successors and assigns. All rights, privileges and easements granted herein shall be appurtenant to the Project Property. Except as provided herein, no easement may be modified, terminated or relocated except with the written consent of Town and Circle, which consent shall not be unreasonably withheld, conditioned or delayed. All uses of easements shall comply with applicable Requirements.
- (b) **Confirmation; Non-Interference.** All easements granted hereunder shall exist by virtue of this Agreement, without the necessity of confirmation by any other document. Likewise, upon termination of any easement (in whole or in part) or its release in respect of all or any part, the same shall be deemed to have been terminated or released without the necessity of confirmation by any other document. However, upon the request of Owner, each will sign and acknowledge a document memorializing the existence (including the location and any conditions), the termination (in whole or in part), or the release (in whole or in part), as the case may be, of any easement, if the form and substance of the document is acceptable to each Owner.
- (c) **Limited Function.** The use of an easement granted hereunder shall be limited to use for the function for which the improvements subject to such easement in question was initially designed and constructed, unless another use is expressly set forth in this Agreement; and any easements provided or reserved under this Agreement shall permit the owner of the servient tenement to utilize such easements areas for its own purposes or grant other easements or interests therein that are not inconsistent with that of the dominant tenement hereunder.
- (d) **Temporary Closure of Easements.** Town may (i) in connection with the maintenance, repair or restoration of Broadway Avenue, or its property located within Broadway Avenue and (ii) in an Emergency Situation, temporarily prevent, close off or restrict the flow of pedestrian or vehicular ingress, egress or use over, across and through any of the easements provided or reserved under this Agreement, but only to the minimal extent and for the shortest time period reasonably necessary under the circumstances in order to minimize the effect on the user of such easement.

3.2 Grant of Easements.

- (a) Easement Granted. Subject to the requirements contained herein and the requirements of Section 4.1 concerning the Approval of Plans and Specifications (4.1 and 4.2) concerning the Facilities, Town hereby grants and conveys to Circle a nonexclusive easement on, over, across and through the Easement Areas for the purpose of constructing, maintaining, repairing, replacing and inspecting the Facilities.

- (b) Town Right to Operate and Maintain Utilities. Circle understands Town operates and maintains utilities including water and sewer mains within the Easement Areas and Town shall have a paramount right to enter the Easement Areas to undertake any and all work necessary to maintain and improve Town utilities within the Easement Areas. Town will attempt to give 72 hour notice to Circle of planned work within the Easement Areas. No notice need be given in an emergency situation. In undertaking utility work with the Easement Areas, Town will make reasonable efforts to protect the Facilities but may, if determined necessary in the judgment of the Town, remove Facilities at the sole cost of Circle. Town shall not be liable for any damage to Facilities caused by Town work within the Easement Areas. Circle acknowledges Facilities are placed in the Easement Areas at its own risk and waives any and all claims against the Town, its officers, employees and agents, and covenants not to sue the Town its officers, employees and agents for any damage to the Facilities arising in whole or in part out of Town work within the Easement Areas. Circle shall have the right to replace, restore, or re-install within the Easement Areas any Facilities removed or damaged due to Town work within the Easement Areas.

- (c) Reciprocal Easement for Maintenance. The Parties hereby grant to one another a nonexclusive easement over, on and across Broadway Avenue and the Project Property for ingress, egress of persons, materials and equipment to the extent reasonably necessary to permit maintenance, repair and restoration of Town utilities in Broadway Avenue and Circle's Facilities in the Easement Areas.

- (d) Temporary Construction Easement. Town hereby grants to Circle a temporary, nonexclusive easement over, on and across the Easement Areas for ingress, egress of persons, reasonably necessary for (i) the initial construction and development of the Project and Facilities; provided that Circle shall minimize disruptions of the

access to, use, occupancy and enjoyment of Broadway Avenue and shall not allow the storage, placement or transportation of materials and equipment in, through or over Broadway Avenue without the express approval of Town, which approval shall not be unreasonably withheld, conditioned or delayed. Each Owner grants to the other a temporary, nonexclusive easement over, on and across their respective Property for any repair, restoration or construction following a casualty to the Project or Facilities. Circle shall use reasonable efforts to minimize disruptions of the access to, use, occupancy, enjoyment or development of Broadway Avenue, and no such use of the above granted easement shall cause any material increase in the cost of maintaining Broadway Avenue. Any damage to any portion of Broadway Avenue and the public utilities thereon as a result of the exercise of the easement granted in this Section shall be restored to as near the original condition as possible by Circle. The easement granted in the Section 3.2(d) is of a temporary nature.

3.3 Use by Permittees. The use of all easements provided for in this Article will, in each instance, be nonexclusive, and for the use and benefit of all Permittees.

3.4 Unauthorized Use. Town and Circle hereby reserve the right to eject or cause the ejection from Broadway Avenue and Easement Areas of any Person or Persons not authorized, empowered or privileged to use the easements granted in this Agreement.

ARTICLE IV PLANS, SPECIFICATIONS AND COMPLETION

4.1 Approval of Plans and Specifications. Circle shall not commence or permit the commencement of the construction of the Facilities until plans and specifications for the Facilities have been submitted to Town and approved by Town as in hereinafter provided. All such work shall be done in accordance with the plans and specifications or other information which have been submitted to and so approved by Town.

4.2 Plans and Specifications for Alterations. Plans and specifications, or such other information as may be appropriate in light of the nature of the work to be done, for any maintenance or repair of the Facilities which will materially alter any feature of the design of the Facilities shall be submitted to Town, and be approved by Town as hereinafter provided, prior to commencement of the work. All such work shall be done in accordance with the plans and specifications or other information which have been submitted and so approved by Town. Notwithstanding the foregoing, emergency maintenance and repair and maintenance or repair which will not materially alter any design feature of the Facilities may be performed by Circle without Circle first making any submission to Town or obtaining Town's approval.

Circle shall submit such plans and specifications or other information to Town and Town shall review the same and give notice to Circle of its approval thereof, or its disapproval of specific portions thereof and the reasons therefore within fifteen (15) calendar days from the date on which such plans and specifications are submitted to Town. If Town fails to give such notice

to Circle within the time required, Town shall be deemed to have approved such plans and specifications for all purposes of this Agreement. Approval of plans and specifications or other information shall not be unreasonably withheld, delayed, denied or conditioned by Town.

4.3 Affect of Approval. Approval by Town pursuant to this Article of plans, specifications, and other materials submitted to Town by Circle shall not be deemed to be an assumption of responsibility for the accuracy, sufficiency or propriety of any such plans, specifications, or other materials.

ARTICLE V ALTERATIONS

5.1 Alterations Require Consent. Alterations to the Facilities shall not be made without the prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of Town if such Alterations will either (i) cause disruption of usual and customary vehicular or pedestrian flow on Broadway, or (ii) materially alter the exterior appearance of the Facilities; and

5.2 Requirements.

(a) **General.** All Alterations shall be made, constructed and installed in a diligent, good and workmanlike manner, using first quality materials, in accordance with: (i) all applicable Requirements, and (ii) any applicable terms of this Agreement. Any damage occurring to any portion of Broadway Avenue or any Town utilities or improvements therein as a result of any performance of Alterations shall be the responsibility of Circle, and shall be repaired by Circle, at Circle's sole cost and expense, to the same condition as existed immediately prior to such work promptly upon the completion of such Alterations.

(b) **Insurance.** At all times during the performance of any Alterations, Circle shall comply with the insurance requirements set forth in Section 7.2 hereof.

5.3 Indemnity. Circle covenants and agrees to indemnify, defend, and hold harmless Town, its officers, employees, and agents from and against all Claims and Losses arising from or in connection with the performance of any Alterations. Town shall give Circle notice of any suit or proceeding entitling it to indemnification pursuant to this Section and Circle shall defend Town, its officers, employees, and agents in such suit or proceeding with counsel reasonably acceptable to the Town.

5.4 Cost of Alterations. Circle shall be responsible for the cost and expense of all Alterations to be made at its Facilities in the Basement Areas.

ARTICLE VI MAINTENANCE

6.1 **Maintenance of Parcels and Alterations.** Circle shall at all times during the term of this Agreement, at its sole cost and expense, maintain, or cause to be maintained, the Facilities, in good, clean, safe condition and repair, free of trash and debris, and in compliance with applicable Requirements, and shall make all repairs or replacements of, in, on, under, within, upon or about such property, whether said repairs or replacements are to the interior or exterior thereof, or structural or nonstructural components thereof, or involve ordinary or extraordinary repairs or replacements, necessary to keep the same in good, clean, safe condition and repair and in compliance with applicable Requirements.

6.2 **Standard of Maintenance.** The minimum standard of maintenance as provided for in Section 6.1 above shall be comparable to the standard of maintenance followed in comparable developments of comparable size and quality in the State of Illinois and in compliance with all applicable Requirements and the provisions of this Agreement. All repairs and replacements shall be made using materials at least equal to the quality of the materials being repaired or replaced so as to maintain the architectural and aesthetic harmony of the Project as a whole.

6.3 **Certain Maintenance Responsibilities.** The maintenance and repair obligations of Circle shall include, but shall not be limited to, the following with respect to the Facilities:

- (a) **Drive and Parking Areas.** Maintaining, cleaning and replacing all paved surfaces and curbs in a smooth and evenly covered condition, such work shall include, without limitation, snow removal, sweeping, restriping, resealing and resurfacing.
- (b) **Debris and Refuse.** Periodic removal of all papers, debris, filth, refuse, ice and snow, including sweeping to the extent necessary to keep the Easement Areas in a first-class, clean and orderly condition.
- (c) **Sign and Markers.** Placing, cleaning, keeping in repair, replacing and repainting any appropriate directional signs or markers, including any handicapped parking signs.
- (d) **Lighting.** Maintaining, cleaning and replacing lighting facilities, including lamps, ballasts and lenses.
- (e) **Sidewalks.** Maintaining, cleaning and replacing of all sidewalks.
- (f) **Utilities.** Maintaining and repairing in good condition and working order all utility equipment, facilities, lines, conduits, pipes and other property located on such Owner's Parcel (including, without limitation, any and all electric, gas, telephone, water, drainage, sewer, fiber optic and cable television facilities), all to the extent that any other Governmental Authority or any utility company shall not have assumed responsibility for such maintenance and repair.
- (g) **Landscaping.** Maintaining, irrigating, replacing, repairing, and keeping in good condition and repair all landscaping on the Easement Areas.

- (h) **Failure to Perform Maintenance.** If Circle shall fail to perform as required by the terms of this Article and such failure shall continue for thirty (30) days after written notice thereof from Town to Circle (except in an Emergency Situation when no such notice is necessary), Town shall have the right to perform the same until such time as the Circle cures its failure to perform. Circle shall reimburse Town for its reasonable costs in curing such failure

ARTICLE VII **INSURANCE**

7.1 **Insurance Generally.** Circle shall at all times during the term of this Agreement, maintain or cause to be maintained in full force and effect: (i) a comprehensive general public liability insurance policy covering the Easement Areas and Facilities, with a financially responsible insurance company or companies authorized to do business in the State of Illinois, including coverage for any accident resulting in bodily injury to or death of any person and consequential damages arising therefrom, and comprehensive property damage insurance, each in an amount not less than \$2,000,000 per occurrence and including coverage insuring Circle's indemnification obligations set forth in this Agreement, and having a commercially reasonable deductible, (ii) insurance covering the Facilities to the extent of its full replacement cost under broad form standard fire and extended coverage insurance, including, without limitation, vandalism and malicious mischief endorsements, (iii) automobile liability insurance in an amount of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage, covering all owned, leased, rented or non-owned vehicles, which shall include automobile contractual liability coverage, and (iv) insurance covering Project's boiler and machinery risks, on a comprehensive, blanket basis, covering all Project equipment, machinery and apparatus consisting of, but not limited to, boilers, heating apparatus, fired and unfired pressure vessels, air conditioning equipment, miscellaneous electrical apparatus and their equipment on a repair or replacement basis. The insurance policy shall name Town as an additional insured. Circle shall annually furnish to Town, evidence that the insurance referred to in this Section is in full force and effect and that the premiums for such policy have been paid. Circle's public liability insurance policy shall provide that the same may not be canceled, reduced below the required minimum or materially amended without at least thirty (30) days prior written notice being given by the insurer to Town.

7.2 **Insurance During Alterations.** During any period within which Circle is performing Alterations to the Facilities, Circle shall, prior to commencing such Alterations, require its contractors to purchase and maintain (or, at the option of Circle, itself purchase and maintain, covering all such contractors), at the cost of Circle or its contractors, the following policy or policies of insurance issued by a financially responsible insurance company authorized to do business in the State of Illinois: (i) Workers' Compensation Insurance Policy: Coverage A - to pay promptly when due all compensation and other benefits required of the insured by the workers' compensation law, and Coverage B - Employers' Liability - to pay on behalf of the insured with limits not less than \$1,000,000.00 each accident/occurrence all sums that the insured shall become legally obligated to pay as damages because of bodily injury by accident or

disease, including death at any time resulting therefrom (Coverage A and Coverage B will cover all contractors, subcontractors, and their subcontractors), and (ii) general liability insurance and automobile insurance satisfying the criteria described above (including, without limitation, the obligation to name Town as an additional insured).

7.3 Blanket Insurance. Any insurance required to be carried pursuant to this Article may be carried under a policy or policies covering other liabilities and locations of Circle; provided, however, that such policy or policies apply to the Easement Areas required to be insured by this Article in an amount not less than the amount of insurance required to be carried by Circle with respect thereto, pursuant to this Article.

7.4 Escalation.

(a) **Standard of Measurement.** If Town so requests by written notice to Circle, the dollar amounts stated in Sections 7.1 and 7.2 hereof shall be adjusted on the fifth anniversary following the date of this Agreement, and on every fifth Anniversary Date thereafter ("Anniversary Date") during the term of this Agreement to a dollar amount that bears the same ratio to the original dollar amount set forth herein as the following-described index figure published for the latest date prior to the date such adjustment is to be effective bears to such index figure published for the latest month prior to the date hereof. The index figure to be utilized in calculating such adjustments shall be the Consumer Price Index for Urban Wage Earners and Clerical Workers (all Items, all Cities) (1982-84=100), presently published by the United States Department of Labor (the "Index"). In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the percentage increase shall be made with the use of such conversion factor, formula or table for converting the Index as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice Hall, Inc., or, failing such publication, by any other nationally recognized publisher of similar statistical information. In the event the Index and/or a conversion factor shall cease to be published, then, for the purposes of this Agreement, there shall be substituted for the Index such other index as mutually agreed by the Parties.

(b) **Limitation.** Any provision in subparagraph (a) notwithstanding, under no circumstances shall the dollar amounts identified in subparagraph (a) of this Section be less than stated in the sections referenced therein.

ARTICLE VIII
INDEMNIFICATION; COMPLIANCE WITH REQUIREMENTS; DEVELOPMENT
RESTRICTIONS; LIENS

8.1 Indemnification.

Circle covenants and agrees, at its sole cost and expense, to indemnify and hold harmless Town, its officers, employees, and agents (each an "Indemnitee") from and against any and all Claims and Losses arising from the negligence or willful misconduct of Circle, its officers, parents, subsidiaries, members, partners, trustees, shareholders, representatives and agents and the respective officers, directors and employees of any of them (each a "Responsible Party" and collectively the "Responsible Parties").

8.2 Compliance with Requirements. The Facilities shall at all times be constructed, installed, used, operated, maintained and repaired in compliance with all applicable Requirements.

8.3 No Prohibited Use. The Easement Parcels shall not be used or operated for any purpose that constitutes a Prohibited Use.

8.4 Liens. Circle shall remove, within thirty (30) days after the filing thereof, any mechanics', materialmen's or any other like liens filed on the Easement Areas. Circle shall not be required to remove such lien within said thirty (30) day period if within said thirty (30) day period (a) such lien cannot be foreclosed, and (b) Circle (i) shall in good faith diligently proceed to contest the same by appropriate proceedings and shall give written notice to Town of its intention to contest the validity or amount of such lien, and (ii) shall deliver to Town either (A) cash or a surety bond from a surety company reasonably acceptable to Town in an amount equal to one hundred twenty-five percent (125%) of the lien claim and all interest and penalties then accrued thereon or such greater amount as may reasonably be required to assure payment in full of the amount claimed plus all penalties, interest and costs that may thereafter accrue by reason of such lien claim, or (B) other security reasonably acceptable to Town. Upon final determination thereof, Circle shall promptly pay the amount of any such lien claim, together with all costs, interest and penalties that may be payable in connection therewith.

ARTICLE IX DEFAULT: REMEDIES

9.1 Legal Action Generally. If any party breaches any provision of this Agreement (an "Event of Default") then the other party may institute legal action against the Defaulting Party for specific performance, injunction, declaratory relief, damages, or any other remedy provided by law. All remedies herein or at law shall be cumulative and not inclusive. As used herein, any reference to rights or remedies "at law" or "under applicable law" shall also include any rights or remedies "in equity".

9.2 Injunctive and Declaratory Relief. In the event of any violation or threatened violation by any party of any of the terms, covenants, conditions, and restrictions herein contained, in addition to any other remedies provided for in this Agreement, any Party shall have the right to enjoin such violation or threatened violation and to bring an action for declaratory relief in a

court of competent jurisdiction.

9.3 Right to Cure or Abate. If any Defaulting Party violates any covenant, condition or restriction contained in this Agreement, or permits or suffers any occupant or Permittee to violate any covenant, condition or restriction of this Agreement, then in addition to any other remedy provided for in this Agreement, the other Party may demand by written notice (the "Default Notice") that the violation be cured. If the Defaulting Party does not cure the violation within sixty (60) days after receipt of the Default Notice, or if such default is of a kind that cannot reasonably be cured within sixty (60) days, and the Defaulting Party does not within such sixty (60) day period commence to cure such default and diligently thereafter prosecute such cure to completion, then the other Party (and its agents and employees) shall have the right (but not the obligation) to (i) pay any sum owed by the Defaulting Party to the Person entitled thereto, (ii) enter upon the Parcel of the Defaulting Party and summarily abate, remove or otherwise remedy any improvement, thing or condition that violates the terms of this Agreement, and (iii) enter upon the Defaulting Party and perform any obligation of the Defaulting Party to be performed thereon (collectively, the "Cure Rights"). Notwithstanding the foregoing, in the event of an Emergency Situation, the other Party may exercise the Cure Rights without providing written notice to the Defaulting Party, provided, that, the other Party shall notify the Defaulting Party as soon as reasonably practicable. The Defaulting Party shall, within ten (10) days of written demand by the other Party, accompanied by appropriate supporting documentation, reimburse the other Party for all costs and expenses incurred by the other Party in undertaking any of the actions permitted by clauses (i) through (iii) in the preceding sentence, including without limitation, wages, benefits and overhead allocable to the time expended by any employee of the other Party in taking such actions, together with interest thereon at a rate equal to the Default Interest Rate, from the date such costs and expenses were advanced or incurred by the other Party until repaid by the Defaulting Party.

9.4 Remedies Cumulative. The remedies provided in this Article IX are in addition to any remedies available elsewhere in this Agreement or under applicable law. Exercise of one remedy shall not be deemed to preclude exercise of other remedies for the same default, and all remedies available to a Party may be exercised cumulatively.

ARTICLE X NOTICES

10.1 In General. Any notice, payment, demand, offer or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if sent by registered mail or certified mail (return receipt requested), postage and charges prepaid, or by Federal Express or another reputable overnight delivery service requiring a signature upon receipt, address as follows

To Town:

Town of Normal
11 Uptown Circle

Normal, IL 61761-0589
Attention: Town Clerk

With copy to: Corporation Counsel

Town of Normal
11 Uptown Circle
Normal, IL 61761-0589
Attention: Corporation Counsel

To Circle:

Uptown Circle, LLC
161 N. Clark Street, Suite 4900
Chicago, IL 60601

With copy to: Richard J. Traub

Freeborn & Peters LLP
311 S. Wacker Drive
Chicago, IL 60606

Any such notice shall be deemed given on the date on which it is received or receipt thereof if refused.

Any party may designate a different address from time to time, provided, however, it has given at least ten (10) days advance notice of such change of address. In the event any date on which any notice or election is required to be given hereunder falls on a Saturday, Sunday or federal holiday, then, the date on which such notice is required to be given or made hereunder shall, for all purposes, be deemed to be the next following business day.

ARTICLE XI MISCELLANEOUS

11.1 Binding Effect. Each of the limitations, covenants, conditions, easements, and restrictions contained herein shall attach to and run with the Easement Areas, and shall, except as otherwise set forth herein, benefit or be binding upon the successors and assigns of the respective parties. This Agreement and all the terms, covenants and conditions herein contained shall be enforceable as equitable servitudes. Each party, by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Agreement and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations

hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in the land, and shall inure to the benefit of such person in like manner as though the provisions of this Agreement were recited and stipulated at length in each and every deed of conveyance, or in any mortgage or trust deed or other evidence of obligation.

11.2 No Third Party Beneficiaries. The rights, privileges, or immunities conferred hereunder are for the benefit of the Parties and not for any third party (other than any successor or assign).

11.3 No Partnership. Neither this Agreement nor any acts of the parties shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between or among any of the parties.

11.4 Modification. The Agreement may be modified or terminated only by an instrument signed by each of the then Owners of the Project Property and Town. Any modification to or termination of this Agreement shall be recorded with the recorder.

11.5 Severability. In the event any term, covenant, condition, provision, or agreement contained herein is held to be invalid, void, or otherwise unenforceable, by any court of competent jurisdiction, such holding shall in no way affect the validity of enforceability of any other term, covenant, condition, provision, or agreement contained herein.

11.6 Governing Law. This Agreement and the obligations of the Parties hereunder shall be interpreted, construed, and enforced in accordance with the laws of the State of Illinois.

11.7 Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural and vice versa.

11.8 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original agreement, and all of which shall constitute one agreement.

11.9 Captions. Article and section titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this agreement or any provisions hereof.

11.10 Time of Essence. Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement

11.11 Entire Agreement. This Agreement contains all the representations and the entire agreement between the Parties with respect to the subject matter hereof.

11.12 Excuse for Non-Performance. Each party shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sums of money under the applicable provisions hereof (unless such payment is conditioned upon performance of any obligation or undertaking excused by this Section), in the event and so long

as the performance of any such obligation is prevented or delayed, retarded or hindered by Unavoidable Delays (which shall in no event include the lack of or inability to obtain funds).

11.13 Duration. This Agreement and each term, easement, covenant, restriction and undertaking of this Agreement will remain in effect in perpetuity unless terminated as provided herein or by written agreement of the Parties.

11.14 Waiver of Default. No waiver of any default by any party to this Agreement shall be implied from any omission by any party to take any action in respect of such default if such default continues or is repeated. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any term, provision or covenant contained in this Agreement shall not be deemed to be a waiver of any subsequent default in the performance of the same term, provision or covenant or any other term, provision or covenant contained in this Agreement. The consent or approval by a party of any act or request by the other party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests. The rights and remedies given to the parties by this Agreement shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or if any other right or remedy at law or in equity that any such Person might otherwise have by virtue of a default under this Agreement, and the exercise of one such right or remedy by any such Person shall not impair such party's standing to exercise any other right or remedy.

11.15 Drafting. Each of the parties hereto, and acknowledges that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

11.16 Abandonment of Easements. Intentionally Omitted.

11.17 Transfer or Encumbrance of Easement Rights. The easements and rights created by this Agreement are appurtenant to the Project Property and may not be transferred, assigned or encumbered except as an appurtenance to such Project Property. From and after the date of any sale or transfer by Circle of its entire interest in the Project Property, Circle shall be and hereby is relieved and freed of all agreements, obligations and undertakings of Circle to be performed under this Agreement from and after the date of such sale or transfer, and its shall be deemed and construed without further agreement that the purchaser or transferee has agreed to carry any and all of the obligations and undertakings of Circle under this Agreement accruing from and after the date of such sale or transfer. The foregoing shall not release the transferring Circle from any accrued claims or liabilities existing at the time of any such sale or transfer.

11.18 Consent. In any instance in which any party shall be requested to consent to or approve of any matter with respect to which such party's consent or approval is required by any of the provisions of this Agreement, such consent or approval shall be given in writing, and shall not be unreasonably withheld, unless the provisions of this Agreement with respect to a particular consent or approval shall expressly provide otherwise.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date and year first above written.

THE TOWN OF NORMAL

By: Christopher Koos

Name: Christopher Koos

Title: President, Board of Trustees

By: Wendell J. Briggs

Name: Wendell J. Briggs

Title: Town Clerk

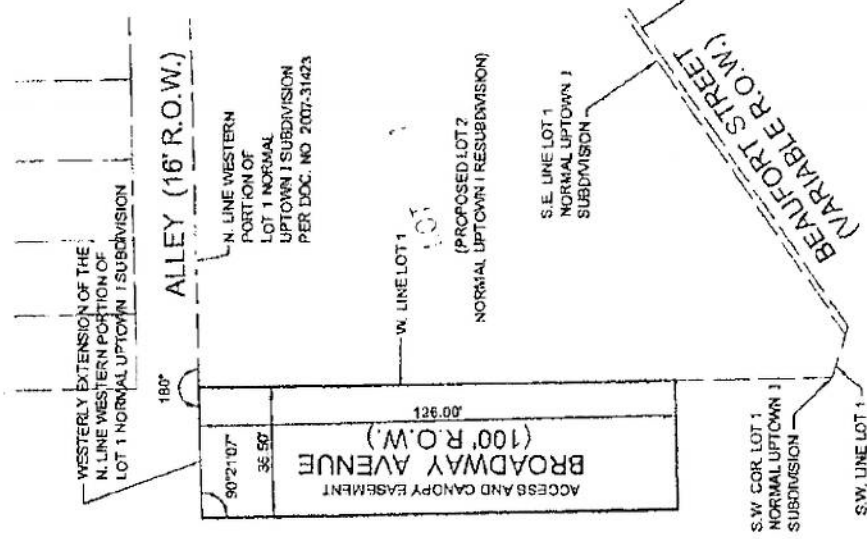
UPTOWN CIRCLE, LLC

By: Douglas J. Reich

Name: Douglas J. Reich

Title: Manager
V.P./Secretary of Uptown Circle Development, Inc.
The Manager of Uptown Circle, LLC

EXHIBIT 1
Canopy and Access Easement



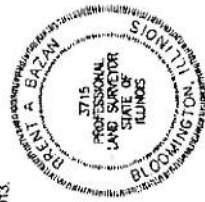
Access and Canopy Easement

The East 35 feet of Broadway Avenue bounded on the North by the Westerly Extension of the North Line of the Western portion of Lot 1 in Normal Uptown 1 Subdivision recorded as Document No. 2007-3-1423 in the McLean County Recorder's office and bounded on the South by a line 126.00 feet South of and parallel with said Westerly Extension in the Southeast Quarter of Section 28, Township 24 North, Range 2 East of the 3rd Principal Meridian, Town of Normal, McLean County, Illinois.

Witness my hand and seal the 8th day of November, 2013.

FARNSWORTH GROUP, INC
2709 MCGRAW DRIVE
BLOOMINGTON, IL 61704

By: B.A. Bazan
Brent A. Bazan
Professional Land Surveyor No. 3715



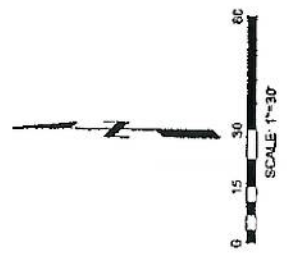
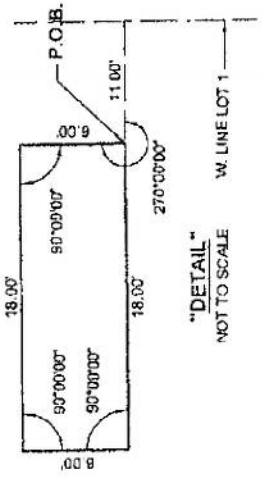
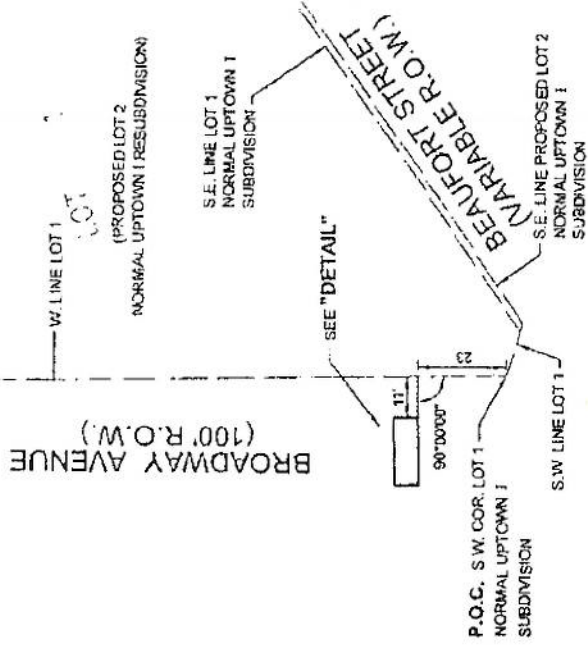
DATE: 11-8-13
EXP. DATE: 11-30-2014
DESIGN FIRM REGISTRATION NO. 184-001856

Project No:	DJ071300
Book No:	573
Sheet No:	11-00-13
Date:	11-08-13

NORMAL UPTOWN 1
ACCESS AND CANOPY EASEMENT

Farnsworth GROUP
2709 MCGRAW DRIVE
BLOOMINGTON, IL 61704
(800) 443-8432 / (800) 443-1571 Fax

EXHIBIT 2
Identification Sign Easement

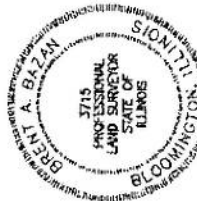


Sign Easement

A part of Broadway Avenue in the Southeast Quarter of Section 28, Township 24 North, Range 2 East of the 3rd Principal Meridian, Town of Normal, McLean County, Illinois, more particularly described as follows: Commencing at the Southwest Corner of Lot 1 in Normal Uptown 1 Subdivision recorded as Document No. 2007-31423 in the McLean County Recorder's office, thence north 23.00 feet along the West Line of said Lot 1; thence west 11.00 feet along a line which forms an angle to the right of 90°-00'-00" with the last described course to the Point of Beginning. From said Point of Beginning, thence north 6.00 feet along a line which forms an angle to the right of 270°-00'-00" with the last described course; thence west 18.00 feet along a line which forms an angle to the right of 90°-00'-00" with the last described course, thence south 6.00 feet along a line which forms an angle to the right of 90°-00'-00" with the last described course; thence east 18.00 feet along a line which forms an angle to the right of 90°-00'-00" with the last described course to the Point of Beginning.

Witness my hand and seal the 11th day of November, 2013.

FARNSWORTH GROUP, INC.
2705 MCGRAW DRIVE
BLOOMINGTON, IL 61704



By: *B.A. Bazan*
Brent A. Bazan
Professional Land Surveyor No. 3715

DATE: 11-11-13
EXP. DATE: 11-30-2014
DESIGN FROM REGISTRATION
NO. 184-01285

S.E. 1/4 SEC. 28, T.24N., R.2E., 3P.M.

NORMAL UPTOWN 1

SIGN EASEMENT

Farnsworth
GROUP
2705 MCGRAW DRIVE
BLOOMINGTON, ILLINOIS 61704
(202) 663-3433 / (800) 653-1571 Fax

Project No.	07-307-73.00
Book No.	
Drawn By	ABR
Reviewed	
Date	11-11-13

James D. Bass
Attorney At Law



232 East Front Street • Bloomington, IL 61701
Phone: (309) 828-6723 • Fax: (309) 827-6802

September 17, 2014

page 2

Assuming that these changes are acceptable, please have the revised document forwarded to me at your earliest convenience. Thank you very much.

Very truly yours,


James D. Bass

JDB:rcmb

cc:ottobentley@comcast.net
bentleymotors@msn.com

Doug Reichl

Emailed to doug@markingaleysgroup.com

Dear Mr. Reichl:

I represent Ethel Bentley relative to the proposed sale of 807 Hovey Avenue and 801 South Main Street in Normal, Illinois. We have reviewed the proposed contract and have a few suggested changes.

On page 3, paragraph 3 (e) (CONTINGENCY PERIOD) the last sentence should be expanded as follows: "This Agreement, and Closing hereunder, shall be and hereby is, conditioned upon the Property being satisfactory to Buyer for use as a parking lot".

Further down under the same heading, in paragraph (e) the second to last sentence in this subsection shall be expanded to read as follows:

"In the event that Buyer has failed to timely notify Seller of its election to terminate this Agreement prior to the expiration of the Contingency Period, this Agreement shall remain in full force and effect, and Buyer shall accept the property in "as is" condition except for any items removed from the building as set forth in paragraph 18."

On page 4, under paragraph 4 (CLOSING, DEED AND POSSESSION) the closing date shall be on or before the date that is thirty (30) days after Seller notifies Buyer in writing of its intention to close this transaction, but in no event later than March 31, 2015 (the Closing Date). Furthermore, in that paragraph the balance of the paragraph beginning with the words "notwithstanding anything to the contrary" shall be stricken through the end of that paragraph.

Finally, in paragraph 18 (SELLER'S SALVAGE RIGHTS) that paragraph should read as follows:

"Seller shall have the right, for up to nineteen days after closing, to remove all of the contents or parts of the building located at the property, including but not limited to, equipment that is affixed to the building and/or hardware thereto."

RESOLUTION NO. 5057

RESOLUTION TO APPROVE A RECIPROCAL EASEMENT AGREEMENT BETWEEN THE TOWN OF NORMAL AND UPTOWN CIRCLE, LLC FOR THE HYATT PLACE HOTEL PROJECT

WHEREAS, the Town of Normal is a home rule unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, the Town of Normal entered into a Redevelopment Agreement, as amended, with Uptown Circle, LLC, which is developing the Hyatt Place Hotel Project in Uptown Circle; and

WHEREAS, the Hyatt Place Hotel Project includes certain improvements, including a sign and a canopied access, that will extend over the Broadway Avenue right-of-way; and

WHEREAS, the Town owns this public right-of-way, and the Developer will need an easement to place those items over the right-of-way; and

WHEREAS, The Town needs access to the right-of-way to maintain and repair the sewer and water mains and other utilities located in the easement area; and

WHEREAS, it is in the best interests of the health, safety and welfare of the citizens of Normal to authorize the execution of a Reciprocal Easement Agreement between the Town of Normal and Uptown Circle, LLC to grant the necessary easements to allow for the completion of the Hyatt Place Hotel Project and ensure the Town access for maintenance and repair purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES FOR THE TOWN OF NORMAL, ILLINOIS:

SECTION ONE: That the President is authorized to execute for and on behalf of the Town of Normal a Reciprocal Easement Agreement with Uptown Circle, LLC. A copy of the Reciprocal Easement Agreement is attached to and incorporated in this Resolution.

SECTION TWO: That the Town Clerk is authorized and directed to attest to the signature of the President on the Agreement and to retain a fully executed original of that document in her office for public inspection.

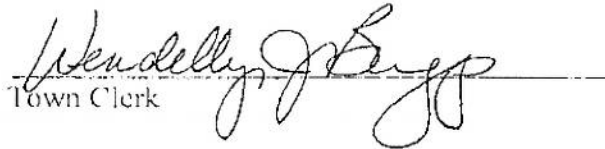
ADOPTED this 20th day of October, 2014.

APPROVED:



President of the Board of Trustees of the Town of
Normal, Illinois

ATTEST:



Town Clerk

(Seal)

STATE OF ILLINOIS)
)
County of McLean) ss.
)
Town of Normal)

I, Wendellyn J. Briggs, Town Clerk of said Town, do hereby certify that the foregoing is a true and complete copy of an original of Resolution No. 5057; being a Resolution to Approve a Reciprocal Easement Agreement Between the Town of Normal and Uptown Circle, LLC, for the Hyatt Place Hotel Project, which was approved at a regular meeting of said Town Council held on the 20th day of October, 2014, by an affirmative vote of the majority of all members elected to said Council, the vote having been taken by yeas and nays and entered on the record of the proceedings of said Council.

Witness my hand and seal of said Town of Normal, this 22nd day of October, 2014.



Wendellyn J. Briggs
Town Clerk

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ADOPTED this 20th day of October, 2014.

APPROVED:



President of the Board of Trustees of the Town of
Normal, Illinois

ATTEST:



Town Clerk

(Seal)

Type: OFFICIAL RECORDS
Recorded: 6/11/2014 2:25:11 PM
Fee Amt: \$33.00 Page 1 of 2
IL Rental Housing Fund: \$09.00
McLean County, IL
Kathy Michael McLean Clerk/Recording Div

File# 2014-00009326

McLEAN COUNTY TITLE

1400424

QUIT CLAIM DEED BY A CORPORATION

The Grantor, **Town of Normal**, a Municipal Corporation of McLean County, Illinois, for and in consideration of one (\$1.00) dollar and other good and valuable consideration, does hereby convey and quit claim to **Uptown Circle, LLC**, an Illinois Limited Liability Company, the following described property:

Lot 1 in Uptown Circle Subdivision of part of the Southeast 1/4 of Section 28, Township 24 North, Range 2 East of the Third Principal Meridian, Town of Normal, according to the Plat thereof recorded March 7, 2014, as Document No. 2014-3775, in McLean County, Illinois - PIN: 14-28-431-018.

The above-described property is situated in the County of McLean, State of Illinois. This conveyance is made, executed and delivered pursuant to the authority given by the Board of Trustees to the President of the Board of Trustees of the Town.

In Witness Whereof, the said Town of Normal has caused its corporate seal to be affixed and these presents to be signed by its and attested by its Town Clerk this 9th day of May, 2014.

Town of Normal

By: _____

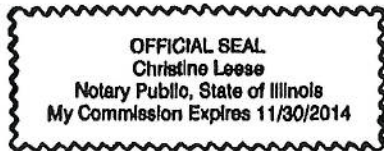
Christopher Kops
Christopher Kops, President of the Board of Trustees of the Town of Normal



STATE OF ILLINOIS)
) ss
COUNTY OF McLEAN)

I, the undersigned, a Notary in and for said county in the state aforesaid do hereby certify that Christopher Koos, personally known to me to be the President of the Board of Trustees of the Town of Normal, and Wendellyn Briggs, personally known to me to be the Town Clerk of said Town of Normal, whose names are subscribed to the foregoing instrument appeared before me this day in person and severally acknowledge that as said President and Town Clerk they signed and delivered the said instrument of writing as President and as Town Clerk of said Town of Normal and caused the seal of said Town of Normal to be affixed thereto pursuant to authority given by the Board of Trustees of said Town of Normal as their free and voluntary act and as the free and voluntary act and deed of said Town of Normal for the uses and purposes therein set forth.

Given under my hand and seal this 9th day of May, 2014.



Christine Leese
Notary Public

This transfer is exempt from any Real Estate Transfer Tax under provision of Par. 4(e) Real Estate Transfer Tax Act.

Date: May 9, 2014.

[Signature]
Corp. Counsel Town of Normal

Instrument prepared by Steven D. Mahrt, Corporation Counsel, Town of Normal, 11 Uptown Circle, P. O. Box 589, Normal, IL 61761

Send any subsequent tax bills to Uptown Circle, LLC, c/o Campus Acquisitions, LLC, 161 North Clark Street, Suite 4900, Chicago, IL 60601; Attn. Thomas M. Scott

Return Recorded Document to Richard J. Traub, Freeborn & Peters, LLP, 311 S. Wacker Dr., Suite 3000, Chicago, IL 60606

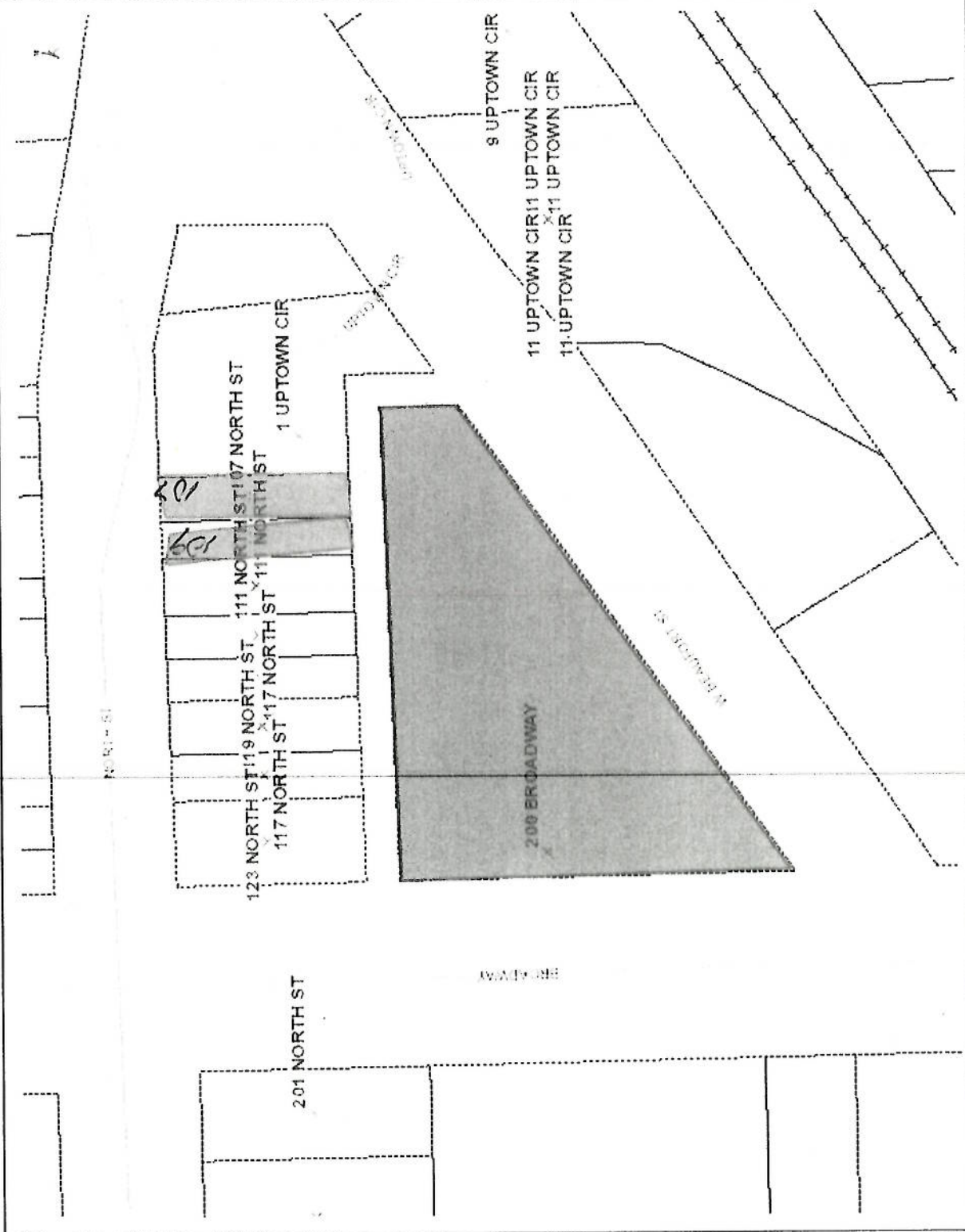


McLean County Regional GIS Consortium



Legend

- Address
- COB
- ETSB
- OTHR
- TON
- Final_Parcelis_2004
- Interstates
- US_Highways
- State_Highways
- County_Highways
- Minor_Arterial
- Major_Collector
- Minor_Collector
- Local_Road_Street
- Alleys
- Private_Streets
- Railroad
- County



Notes

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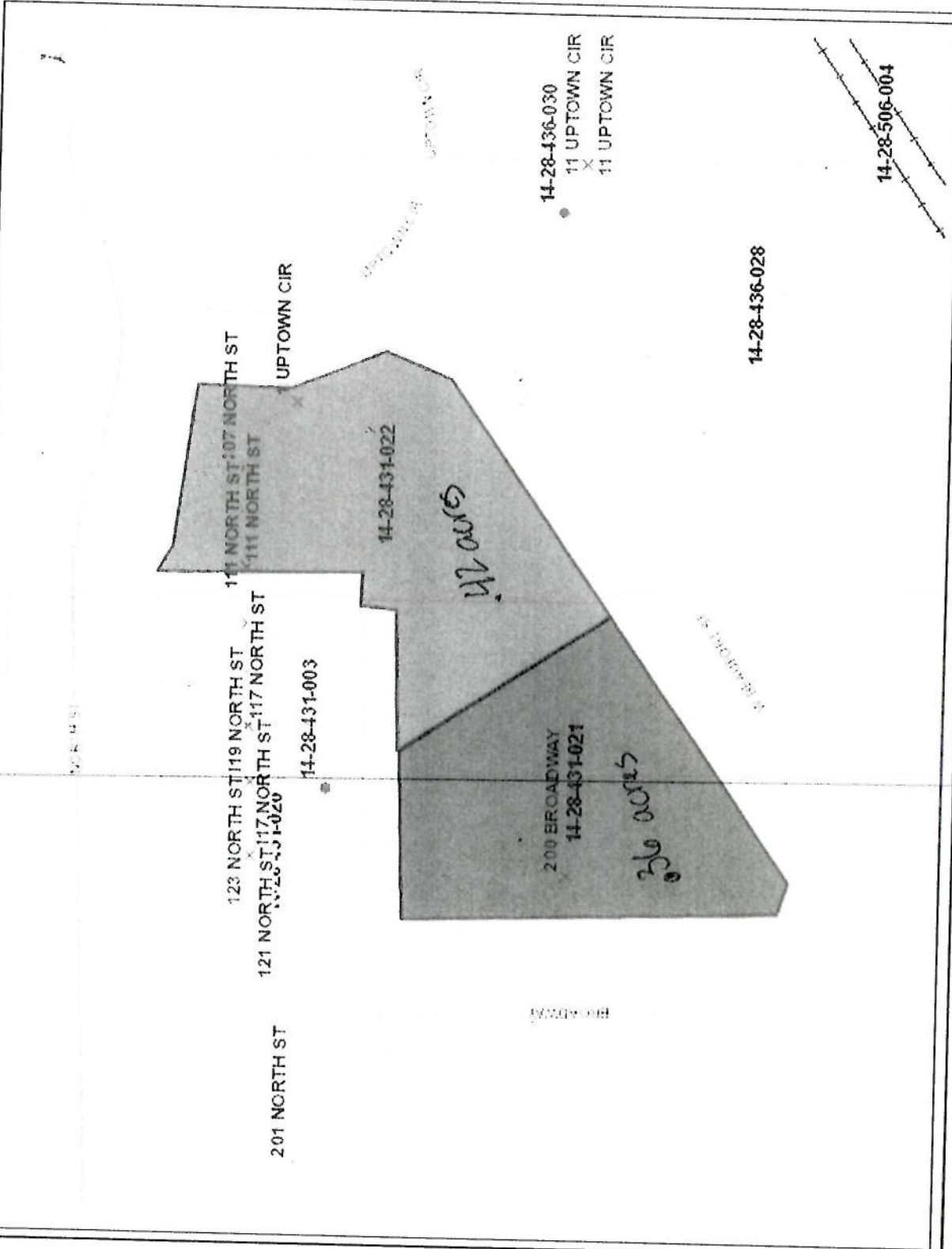


McLean County Regional GIS Consortium



Legend

- Address
- COB
- ETSB
- OTHR
- TON
- Parcels
- Condo_Improve
- Interstates
- US_Highways
- State_Highways
- County_Highways
- Minor_Arterial
- Major_Collector
- Minor_Collector
- Local_Road_Street
- Alleys
- Private_Streets
- Railroad
- County



Notes

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MINUTES
Joint Review Board
Town of Normal Downtown (Uptown) TIF District
September 24, 2014

The Joint Review Board (JRB) for the Town of Normal Downtown (Uptown) Tax Increment Financing District met September 24, 2014 to review the 2014 Annual TIF Report to the Comptroller.

Mark Peterson, Town of Normal City Manager and JRB Chairman, called the meeting to order at 4:10 PM in the Ron Hill Room (Room 334) in Uptown Station. JRB members present were Rich Farr, Normal Township; John Alft, Citizen Member; Curt Richardson, Unit 5 School District; and Rob Widmer, Heartland Community College.

Also in attendance were Douglas Minter, Heartland Community College; Terri Ryburn and Jeanne Moonan; and Town of Normal staff members Joe Tulley, Uptown Manager; Wayne Aldrich, Public Works Director; Karen Killingsworth, Financial Analyst; Deanna Mocchi, Accountant ; Bryan Day, Corporation Counsel; and Sally Heffernan, Assistant City Manager.

Mr. Alft made a motion to approve the minutes of September 16, 2013. Mr. Widmer seconded, and the motion passed unanimously.

Mr. Tulley noted Phase One of the One Uptown Circle project, a Hyatt Place Hotel, is under construction. The hotel will be eight stories tall with 114 rooms and is expected to open in about a year. The Town will sell a General Obligation Bond to support the hotel. Revenue generated from the hotel including sales tax, hotel/motel tax and TIF property tax increment will be used to pay off the bond.

Mr. Aldrich said a pedestrian walkway over the Union Pacific Railroad tracks connecting the former and current Amtrak stations has been designed with construction anticipated in the next 12 months. The walkway will be built primarily with federal and state funds. No TIF funds will be used for the project.

Mr. Tulley noted the ISU art gallery is expected to open October 9. The Gallery is located in the first floor of the Uptown Station parking deck at Beaufort and Broadway. The Town is paying the initial \$1.9 million cost of the 7,346 square foot build-out and will be reimbursed by the University over time. No TIF funds were used for the project. Other projects in Uptown not funded by TIF include the renovation/expansion of The Rock restaurant at 203 W. North; the renovation of a former floral shop at 111 W. North into a wine bar and retail shop; renovation of 112 E. Beaufort to house Beyond Normal, a gift store; installation of outdoor electrical receptacles on Constitution Boulevard; and new Homecoming/Holiday Lights.

Mr. Tulley noted the Town contracted with Doug Farr, creator of the original Uptown Plan, to update and expand the Plan to include areas immediately surrounding the Uptown core. The planning process will begin in October 2014.

No action was required for the annual review.

Mr. Alft made a motion to adjourn. Mr. Richardson seconded, and the motion passed unanimously.

TOWN OF NORMAL
MCLEAN COUNTY, ILLINOIS

\$9,155,000
General Obligation Bonds
Series 2014

CLOSING MEMORANDUM

Closing Date & Place:

December 4, 2014

11 Uptown Circle

P.O. Box 589

Normal, Illinois 661761

Town	The Town of Normal, Illinois
Underwriter	Mesirow Financial, Inc. Chicago, Illinois
Bond Registrar	U.S. Bank National Association Indianapolis, Indiana
Town's Counsel	Brian Day Corporation Counsel
Bond Counsel	Hart, Southworth & Witsman Springfield, Illinois
Underwriter's Counsel	Chapman & Cutler LLP Chicago, Illinois

DOCUMENTS

1. Organization Certificate.
2. Bond Ordinance and Minutes.
3. Bond Order.
4. Bond Purchase Agreement.
5. Certificate of Abatement.
6. Filing Certificate of County Clerk.
7. Preliminary Official Statement.
8. Official Statement.
9. Order to Authenticate and Deliver Bonds.
10. Certificate of Bond Registrar.
11. Incumbency Certificate.
12. Certificate of Delivery and Payment.
13. Underwriter's Certificate and Receipt for Bonds.
14. Tax Compliance Certificate and Agreement.
15. 8038-G, Information Return For Tax-Exempt Governmental Bond Issues.
16. Opinion of Town's Counsel.
17. Opinion of Underwriter's Counsel and Negative Assurance Letter.
18. Opinion of Bond Counsel.
19. Supplemental Opinion of Bond Counsel.
20. Rating Letters.
21. Specimen Bond.
22. DTC Blanket Letter of Representation.
23. Disclosure Dissemination Agent Agreement.
24. Facsimile Signature Certificates.
25. Paying Agent Agreement.
26. Closing Instructions and Pricing.

Distribution of Transcripts

Town	Town's Counsel
Underwriter	Bond Counsel
Underwriter's Counsel	

ORGANIZATION CERTIFICATE OF TOWN

The undersigned, President and Town Clerk of the Town of Normal, Illinois (the "Town"), certify in connection with the issuance and sale of the Town's General Obligation Bonds, Series 2014 in the aggregate principal amount of \$9,155,000 (the "Bonds") as follows:

1. We are the duly elected, qualified and acting President and Town Clerk of the Town, and as such are familiar with the books and corporate records of the Town.

2. The Town is a home rule municipality pursuant to the 1970 Constitution of Illinois and was organized and incorporated February 25, 1867 pursuant to special state charter. Since the date of incorporation, the Town has continuously operated pursuant to and in accordance with the provisions of said general laws of the State of Illinois.

3. The Town operates under a Board of Trustees/Manager form of government with a seven (7) member of Board of Trustees consisting of the President and six (6) Trustees. The members of the Board of Trustees of the Town and the appointed officials of the Town are as follows:

Christopher Koos	President
Sonja Reece	Trustee
Cheryl Gaines	Trustee
Jeff Fritzen	Trustee
Chuck Scott	Trustee
Kevin McCarthy	Trustee
Scott Preston	Trustee
Mark R. Peterson	City Manager
Wendelyn J. Briggs	Town Clerk
Andrew Huhn	Finance Director
Brian Day	Corporation Counsel

4. Regular meetings of the Board of Trustees are held on the first and third Monday of each month at 7:00 p.m. in the Council Chambers of the Normal City Hall at 11 Uptown Circle, Normal, Illinois.

5. No proceedings have been had or taken by the Town or the voters thereof to alter the home rule status of the Town, to limit the power of the Town to incur debt or to confer upon the voters or property owners of the Town rights of petition or referendum not otherwise applicable to home rule units.

6. Ordinance Number 5560 authorizing the issuance of the Bonds (the "Bond Ordinance") was duly adopted by the Board of Trustees of the Town voting at a duly called meeting of the Board of Trustees of the Town held on October 6, 2014, and is in full force and effect, is valid and binding upon the Town and is enforceable in accordance with its terms, and has not been altered, amended, supplemented or repealed as of the date hereof. The Town had

the right and power to adopt the Bond Ordinance at said meeting; said meeting was duly called in accordance with law and the By-laws and rules of procedure of the Town.

7. The Bonds in the aggregate principal amount of \$9,155,000 have been duly prepared and executed on behalf of the Town pursuant to the Bond Ordinance and the Bond Order of the Town dated November 18, 2014 (the "Bond Order").

8. The Bonds, as executed and delivered by the Town, are in the form that the officers of the Town were authorized to execute and deliver for and on behalf of the Town, and are in the same form as provided in and authorized by the Bond Ordinance and the Bond Order. The Bonds have been duly executed on behalf of the Town with the official manual or facsimile signature of the President, and attested by the official manual or facsimile signature of the Town Clerk, and the corporate seal (or official facsimile thereof) of the Town has been reproduced thereon.

9. The undersigned further certify that (i) the Town had the right and power to adopt the Bond Ordinance; (ii) the Bond Ordinance and the Bond Order have been duly and lawfully adopted by the Town, are in full force and effect, and are valid and binding upon the Town and enforceable in accordance with their terms; and (iii) upon the execution, authentication and delivery thereof, the Bonds will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State of Illinois and the Bond Ordinance.

10. The undersigned further certify that (i) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or, to the best knowledge of the undersigned, threatened against the Town, affecting the corporate existence of the Town or the titles of its officers to their respective offices, or seeking to prohibit, restrain or enjoin the issuance, delivery or sale of the Bonds or the collection of taxes, revenues or assets of the Town pledged or to be pledged to pay the principal of and interest on the Bonds under the Bond Ordinance, or contesting the powers of the Town or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance, nor, to the best knowledge of the undersigned, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, or the Bond Ordinance; and (ii) the Town has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the issuance and delivery of the Bonds.

11. No member of the Town, or officer, agent or employee of the Town, is or was, in his or her own name or in the name of a nominee, an officer, director or the holder of an ownership interest in any person, association, trust, corporation, partnership or other entity which is, in its own name or in the name of a nominee, a party to a contract or agreement with the Town for any matter, cause or thing whatsoever in connection with the issuance of the Bonds.

12. All meetings of the Town, including the meetings referred to above, have been open to the public and held in accordance with the procedures adopted by the Town and the Open Meetings Act, 5 ILCS 120/1 *et seq.*, as supplemented and amended.

13. The issuance and sale of the Bonds, will not violate any provision of law, the by-laws of the Town or any resolution or proceedings of the Town, or any applicable judgment, order, rule or regulation of any court or of any public or governmental agency or authority, and will not conflict with, violate or result in the material breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Town is a party, or by which it or any of its properties is bound.

14. All approvals, consents, authorizations and orders required to be obtained by the Town in connection with the issuance, sale and delivery of the Bonds have been duly obtained as required by law.

IN WITNESS WHEREOF, the undersigned have hereunto set their signature under the seal of the Town of Normal, Illinois this December 4, 2014.

TOWN OF NORMAL,
MCLEAN COUNTY, ILLINOIS

By: _____

Handwritten signature of Christopher [unclear] in cursive, written over a horizontal line.

President

(SEAL)
ATTEST

Handwritten signature of Wendell J. Berg in cursive, written over a horizontal line.

Town Clerk

NOV 25 2014

Kathy Michael
COUNTY CLERK

ORDINANCE NUMBER 5560

AN ORDINANCE authorizing the issuance of General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois, in an amount not to exceed \$10,000,000 for the purpose of financing the costs of the construction of a new fire station and the cost of the Town's contribution to the One Uptown Circle Hotel Development

WHEREAS, Section 6(a) of Article VII of the 1970 Constitution of Illinois provides that "any municipality which has a population of more than 25,000 (is) a home rule unit" and the Town of Normal, McLean County, Illinois (the "Town") has a population of more than 25,000 and is therefore a home rule unit and may, under the power granted by said Section 6(a) of Article VII of said Constitution of 1970, exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, Section 6(d) of Article VII of the 1970 Constitution of Illinois grants authority for the Town to incur debt payable from ad valorem property tax receipts maturing within 40 years from the time it is incurred; and

WHEREAS, Section 6 of Article VII of the 1970 Constitution of Illinois grants constitutional authority for the Town to incur debt payable from ad valorem tax receipts without prior referendum approval and without imposing any limitations upon the rate or amount of taxes to be levied for the payment of the indebtedness so incurred; and

WHEREAS, the President and Board of Trustees of the Town (the "Corporate Authorities") have determined it is advisable, necessary and in the best interests of the public health, safety and welfare to acquire and construct a new fire station within the Town including all necessary connections, appurtenances, material, labor and equipment incident thereto, to pay bond discount, bond interest, legal, financing, and administrative expenses (all of which said construction, services, and incidental expenses may be referred to as the "Project"); and

WHEREAS, the Town has also entered into a Revised Town of Normal/Uptown Circle Development, Inc. Redevelopment Agreement (the "Redevelopment Agreement") dated as of March 4, 2014, by and between the Town and Uptown Circle Development, Inc., an Illinois corporation, (hereinafter referred to as "Redeveloper") pursuant to which the Town has agreed to pay a grant of \$5,100,000 to be utilized to fund a portion of the construction costs of a hotel project, all as described and in accordance with the terms of the Redevelopment Agreement (the "Grant"); and

WHEREAS, the total estimated costs of the Project and the Grant are \$10,000,000, the Town has insufficient funds on hand and lawfully available to pay such costs, and it is hereby deemed to be for a public purpose, necessary, essential and in the public interests of the Town and for the welfare of the inhabitants of the Town that the Town issue the bonds herein authorized for the purpose of paying such costs; and

WHEREAS, in order to provide the sum necessary to pay costs of the Project and the Grant, the Corporate Authorities determine that an amount not exceeding \$10,000,000 be borrowed at this time and in evidence of such borrowing, General Obligation Bonds, Series 2014 of the Town in an aggregate principal amount not to exceed \$10,000,000 be issued (the "Bonds"); and

WHEREAS, in order to provide for the issuance of the Bonds it is necessary for the Corporate Authorities to authorize the execution of certain documents in substantially the forms before this meeting and on file with the office of the Town Clerk; and

WHEREAS, the following Table of Contents is provided for the convenience of reference only:

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NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Definitions.

The following words and terms used in this Ordinance shall have the meanings set forth below unless the context or use clearly indicates another or different meaning is intended:

(a) "Applicable Acts" means collectively, Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, as supplemented by the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, all as supplemented and amended.

(b) "Board" means the Board of Trustees of the Town.

(c) "Bond and Interest Account" means the Bond and Interest Account established in Section 12 of this Ordinance.

(d) "Bond Insurer" means, with respect to the Bonds, an insurance company that has insured the payment of the principal of and interest on the Bonds pursuant to a Municipal Bond Insurance Policy as set forth in the Bond Order.

(e) "Bond Order" means one or more Bond Orders executed by the President or the City Manager or the Finance Director and attested by the Town Clerk to select the Bond Insurer, if any, and specify the details of the Bonds as provided in this Ordinance.

(f) "Bond Purchase Agreement" means the contract for the purchase of the Bonds between the Town and the Purchaser.

(g) "Bond Register" means the books of the Town kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

(h) "Bond Registrar" means U.S. Bank National Association, Indianapolis, Indiana or a successor thereto or a successor designated as Bond Registrar hereunder.

(i) "Bond" or "Bonds" means one or more, as applicable, of the General Obligation Bonds, Series 2014, authorized to be issued by this Ordinance.

(j) "Code" means the Internal Revenue Code of 1986, as amended.

(k) "Corporate Authorities" means the President and Board of the Town.

(l) "DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, as depository of the Bonds, and any successor depository of the Bonds.

(m) "Municipal Bond Insurance Policy" means a municipal bond insurance policy issued by a Bond Insurer guaranteeing to the registered owners of Bonds the payment of the principal of and interest on the Bonds.

(n) "Officer" means the President, Town Clerk, City Manager, or Finance Director of the Town.

(o) "Official Statement" means the Official Statement used in connection with the sale of the Bonds.

(p) "Ordinance" means this Ordinance passed by the Corporate Authorities.

(q) "Paying Agent" means U.S. Bank National Association, Indianapolis, Indiana or a successor thereto or a successor designated as Paying Agent hereunder.

(r) "Permitted Investments" means investments authorized for the investment of public funds under the Public Funds Investment Act, 30 ILCS 235/0.01 *et seq.*

(s) "Purchaser" means Mesirow Financial, Inc., Chicago, Illinois, the underwriter with respect to the Bonds.

(t) "Town" means the Town of Normal, McLean County, Illinois.

Section 1. Incorporation of Preambles.

The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and do incorporate them into this Ordinance by this reference.

Section 2. Determination To Issue Bonds.

It is necessary and in the best interests of the Town and for the public health, welfare, safety, and convenience, to provide for the payment of the costs of the Project and the Grant and the costs of expenses incidental thereto and the issuance of the Bonds. The Bonds shall be issued pursuant to the Applicable Acts and in compliance with this Ordinance.

Section 3. Bond Details.

For the purpose of providing for the payment of costs of the Project and the Grant, and for the payment of the costs of all expenses incidental thereto, as aforesaid, the Bonds shall be issued in one or more series in such principal amounts not in excess of \$10,000,000 as the President shall certify in one or more Bond Orders. The Bonds may mature or have sinking fund installments in the years 2015 through 2040, as determined by the President, provided that the tax levies to pay such debt service on the Bonds in each annual period shall not exceed the annual amount of taxes levied pursuant to Section 10 of this Ordinance. The determination of such principal maturities and sinking fund installments as certified by the President are hereby specifically authorized and approved without any further action or approval by the Corporate Authorities other than as set forth in this Ordinance.

Subject to the limitations contained in this Ordinance, authority is delegated to the President until December 31, 2014, (i) to sell the Bonds to the Purchaser, in one or more series upon the terms as prescribed in this Ordinance, provided that (a) the aggregate purchase price of the Bonds shall be not less than 98.00% of the par amount of the Bonds, exclusive of original issue discount, if any; and (b) the true interest cost of the Bonds shall not exceed 5.50% per annum; and (ii) to determine the principal amount of the Bonds to be issued and all of the terms and details of the Bonds not specified or determined in this Ordinance. The President is authorized to determine whether to sell the Bonds with a Municipal Bond Insurance Policy and to

select a Bond Insurer, to determine the principal amount of Bonds to be issued and the amount of the individual interest rates, maturities and sinking fund installments thereof, to determine redemption prices and provisions of the Bonds, if any, and to determine all other details of the Bonds not specified or determined in this Ordinance. The sale of the Bonds and the determination of the details of the Bonds and other matters by the President shall be evidenced by a bond order for the Bonds (the "Bond Order"), which shall be executed by the President and the Town Clerk and filed with the Town Clerk and the McLean County Clerk prior to the issuance of the Bonds. The execution and filing of the Bond Order shall constitute conclusive evidence that the sale of the Bonds and the determination of the details of the Bonds and other matters by the President have been approved and determined in accordance with this Section.

The principal, premium, if any, and maturity amount of the Bonds shall be payable in lawful money of the United States of America at the office of the Paying Agent for the Bonds. The Bonds may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of Bonds.

The Bonds shall each be designated "General Obligation Bonds, Series 2014", shall be dated as of their delivery date; and shall bear the date of authentication thereof. The Bonds shall be in fully registered form, shall be in denominations of \$5,000 or integral multiples thereof, shall be numbered 1 and upward, and shall become due and payable on such dates in any one or more of the years 2015 to 2040 inclusive as determined in the Bond Order.

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on such dates as determined in the Bond Order.

Interest on each Bond shall be paid by check or draft mailed to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date at their addresses appearing on the registration books.

Section 4. Execution; Authentication.

The Bonds shall be executed on behalf of the Town by the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Town Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Town. In case any Officer whose signature shall appear on any Bond shall cease to be such Officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such Officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Town and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed if signed by an authorized

officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5. Registration of Bonds; Persons Treated as Owners.

U.S. Bank National Association, Indianapolis, Indiana is appointed as Bond Registrar and Paying Agent for the Bonds. The Town shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal office of the Bond Registrar, which is hereby constituted and appointed the registrar of the Town. The Town is authorized to prepare, and the Bond Registrar or such other agent as the Town may designate shall keep custody of, multiple bond blanks executed by the Town for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal 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 his attorney duly authorized in writing, the Town shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denomination(s) for a like aggregate principal amount.

Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denomination(s). The execution by the Town 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 Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which has been paid.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

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 Bond shall be made only to or upon the order of the registered owner thereof or his 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 Town or the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Section 6. Book-Entry Only System.

It is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a single fully registered Bond for each of the maturities. Upon initial issuance, the ownership of such Bond shall be registered in the Bond Register in the name of Cede & Co., as

nominee of DTC. The Town, the Bond Registrar and the Paying Agent are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System (the "Representation Letter"). In the event of any conflict between the terms of the Representation Letter and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Town, Bond Registrar and Paying Agent shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant"). Without limiting the immediately preceding sentence, the Town, Bond Registrar and Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Bond Register, of any amount with respect to any Bonds or (iv) any consent given by DTC as registered owner. So long as certificates for the Bonds are not issued as provided herein, the Town, Bond Registrar and Paying Agent may treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Bonds, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Town of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance, the name "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the Town determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason or (c) the Town determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Town shall notify DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered on the Bond Register in the name of Cede & Co., as nominee of DTC. At that time, the Town may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Town, or such depository's agent or designee, or if the Town does not select such an alternate securities depository system then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with

respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter. The Bond Registrar may request in each notice sent to Cede & Co. pursuant to the terms of this Ordinance that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants, but neither the Bond Registrar nor the Town shall be liable if the Bond Registrar fails to make such request or if Cede & Co. fails to honor such request.

Section 7. General Obligations.

The full faith and credit of the Town are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds shall be direct and general obligations of the Town, and the Town shall be obligated to levy ad valorem taxes upon all the taxable property in the Town for the payment of the Bonds and the interest thereon, without limitation as to rate or amount.

Section 8. Redemption Prior to Maturity.

All or part of the Bonds may be subject to optional redemption prior to maturity no earlier than June 1, 2022 as provided in the Bond Order at redemption prices not exceeding 103% of the principal amount to be redeemed. The Bonds may also be issued as term bonds subject to mandatory redemption prior to maturity by application of sinking fund installments at a redemption price equal to the principal amount thereof to be redeemed as provided in the Bond Order (the "Term Bonds").

The Town may purchase Bonds, either in the open market or pursuant to a tender offer, for settlement on or before the date of such mandatory redemption. To the extent that the Town shall have purchased any Term Bonds, the Town may reduce the principal amount of the Term Bond to be redeemed at subsequent redemption dates by a like principal amount.

Whenever Term Bonds are redeemed or purchased at the option of the Town, the principal amount thereof so redeemed or purchased shall be credited against the unsatisfied balance of further sinking fund installments or final maturity amount established with respect to such Term Bonds, in such amounts and against such installments or final maturity amount as shall be determined by the Town in the proceedings authorizing such optional redemption or purchase, or in the absence of such determination, shall be credited against the unsatisfied balance of the applicable sinking fund installments next ensuing and with respect to which notice of redemption has not yet been given.

Notice of Redemption. Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the

Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

Partial Redemption. During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however,* that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

Section 9. Form of Bond.

The Bonds shall be in substantially the form hereinafter set forth

(Form of Bond)

REGISTERED NO. _____

REGISTERED \$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

Interest Rate:
_____%

Maturity Date:

Dated Date:

CUSIP

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on _____ and _____ of each year, commencing _____, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of

interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$ _____ issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] *(Optional redemption provisions of the Bonds, if any, shall be set forth here.)*

[4] *(Term Bond provisions of the Bonds, if any, shall be set forth here.)*

[5] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[6] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such

method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[7] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[8] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[9] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[10] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[11] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[12] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[13] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[14] The Town designates the Bonds "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: _____, _____

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

[Statement of bond insurance, if any, shall be inserted here]

Section 10. Tax Levy.

For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the Town, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose in an amount not to exceed the sums set forth in the following table; and there is hereby levied on all of the taxable property in the Town, in addition to all other taxes, the following direct annual taxes, to-wit:

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2014	\$1,000,000.00
2015	\$1,000,000.00
2016	\$1,000,000.00
2017	\$1,000,000.00
2018	\$1,000,000.00
2019	\$1,000,000.00
2020	\$1,000,000.00
2021	\$1,000,000.00
2022	\$1,000,000.00
2023	\$1,000,000.00
2024	\$1,000,000.00
2025	\$1,000,000.00
2026	\$1,000,000.00
2027	\$1,000,000.00
2028	\$1,000,000.00

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2029	\$1,000,000.00
2030	\$1,000,000.00
2031	\$1,000,000.00
2032	\$1,000,000.00
2033	\$1,000,000.00
2034	\$1,000,000.00
2035	\$1,000,000.00
2036	\$1,000,000.00
2037	\$1,000,000.00
2038	\$1,000,000.00
2039	\$1,000,000.00

Interest or principal coming due at any time when there are insufficient funds on hand from the foregoing tax levy to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of said taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Subject to abatement as provided in the following Section 11, the Town covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the Town will take no action or fail to take any action which in any way would adversely affect the ability of the Town to levy and collect the foregoing tax and will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended, and collected as provided herein and deposited into the Bond and Interest Account.

Section 11. Filing with County Clerk.

Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the Town Clerk of the Town, shall be filed with the County Clerk of The County of McLean, Illinois; and said County Clerk shall in and for each of the years 2014 to 2039, inclusive, ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in each of said years; and said County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Town for general corporate purposes of the Town; and in said years such annual tax shall be levied and collected by and for and on behalf of the Town in like manner as taxes for general corporate purposes for said years are levied and collected and in addition to and in excess of all other taxes.

In the event the Bonds are issued in such amount or at such rates that result in annual tax levies less than as set forth in Section 10 above, the reduced tax levies shall be contained in the Bond Order which shall be filed with the County Clerk of the County of McLean, Illinois together with a certificate abating the tax levies set forth above.

The taxes levied pursuant to this Section as adjusted by the Bond Order may be abated annually by the filing with the County Clerk of McLean County, Illinois of either a certified copy of a resolution of the Town or a certificate of the Town stating (i) the amount of taxes next to be

extended that are to be abated and (ii) either, (a) that an amount at least equal to the amount proposed to be abated is on deposit in the Bond and Interest Account or will be on deposit in accordance with the Town's budget ordinance and will be available and applied to pay principal of or interest on the Bonds that would otherwise be paid by the taxes proposed to be abated; or (b) the Town has made provision for the payment of such principal and interest by the irrevocable deposit of funds sufficient for that purpose with a bank or trust company in trust for the sole benefit of the owners of the Bonds.

Section 12. Bond and Interest Account.

(a) There shall be created the "2014 General Obligation Bond and Interest Account" (the "Bond and Interest Account"), which shall be the account for the payment of principal and interest on the Bonds and shall be administered as a bona fide debt service fund under the Code. Taxes received for the payment of the Bonds are hereby appropriated and shall be deposited into the Bond and Interest Account and used solely and only for the purpose of paying the Bonds when and as the same come due. All of such moneys and all other moneys to be used for the payment of the principal of and interest on the Bonds shall be deposited in the Bond and Interest Account.

(b) The Officers and other officials of the Town are authorized to establish any funds, accounts and accounting codes as needed to account for proper payment of expenses and receipt of taxes or monies related to the Bond and Interest Account.

(c) The tax receipts derived from the taxes levied pursuant to this Ordinance and the moneys deposited or to be deposited into the Bond and Interest Account are pledged as security for the payment of the principal of and interest on the Bonds. The pledge is made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the Bonds. All such tax receipts and the moneys held in the Bond and Interest Account shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Town irrespective of whether such parties have notice thereof.

Section 13. Sale of Bonds; Official Statement.

The Bonds shall be sold to the Purchaser subject to the parameters established in this Ordinance. The form of the Preliminary Official Statement prepared with respect to the Bonds in substantially the form on file in the office of the Town Clerk with such changes, omissions, insertions and revisions as the President shall deem advisable is hereby approved and the distribution thereof to prospective purchasers and the use thereof by the Purchaser in connection with the offering of the Bonds is authorized and approved. The President is hereby delegated the power to have the Preliminary Official Statement "deemed final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

The Officers and other officials of the Town are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Town each and every thing necessary for the issuance of the Bonds, including the proper execution and delivery of the Bonds, the Bond Order, the Bond Purchase Agreement and the Official Statement which are

hereby approved in substantially the form on file in the office of the Town Clerk. The President is authorized to execute and deliver a Bond Purchase Agreement and an Official Statement as shall be necessary and proper in connection with the sale and public offering of the Bonds, with such changes and completions as the President may approve within the parameters established in this Ordinance. The execution and delivery of the Bonds, the Bond Order, the Bond Purchase Agreement, and the Official Statement shall constitute conclusive evidence that such documents, in final form, have been approved in accordance with this Section.

Section 14. Use of Bond Proceeds and Appropriations.

The proceeds derived from the sale of the Bonds are hereby appropriated and shall be used as follows:

(a) Accrued interest, if any, received by the Town upon the sale of the Bonds shall be deposited into the Bond and Interest Account and be used to pay first interest coming due on the Bonds.

(b) The balance of the proceeds derived from the sale of the Bonds, shall be deposited into the "2014 Project Account" (referred to as the "Project Account") which is hereby created, which funds shall be kept separate and apart from all other funds of the Town, and such funds shall be disbursed and used to pay (i) the Grant, (ii) costs and expenses incident to the Project, and (iii) all expenses incurred by the Town in the authorization, sale and issuance of the Bonds, which disbursements are hereby expressly authorized, and pending expenditure of the funds so deposited, such funds shall be held for the benefit of the Town for the purposes herein provided and for the benefit of the owners of the Bonds.

Section 15. Disbursements from Project Account

The moneys in the Project Account are appropriated for the purpose of paying costs of the Grant, the Project and for the payment of costs of issuance of the Bonds, but may hereafter be reappropriated if such reappropriation and use is permitted by Illinois law and will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

Money in the Project Account shall be withdrawn upon the direction of the City Manager or Finance Director from time to time as needed to (i) pay costs of issuing the Bonds, (ii) pay costs of the Grant and for the acquisition and construction of the Project approved by the City Manager, (iii) transfer moneys from the Project Account to the Bond and Interest Account to pay interest on the Bonds, or (iv) transfer moneys from the Project Account to the Rebate Account to provide moneys needed to make any payment required under Section 148(f) of the Code. Within 60 days after completion of the Project and after all costs have been paid in connection with the acquisition and construction thereof, if at that time any money remains in the Project Account, the same shall be credited to the Bond and Interest Account.

Funds on deposit in the Project Account may be invested by the Finance Director in Permitted Investments, provided, such investments shall be scheduled to come due, are redeemable or otherwise funds are available, before needed to pay costs of the Grant and the Project.

Section 16. Tax Covenants and Representations.

(a) The Town hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for Federal income tax purposes.

(b) The Town acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the Town may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the Town agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by counsel approving the Bonds; (c) to consult with counsel and to comply with such advice as may be given; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Town in such compliance.

(c) The Corporate Authorities represent and certify as follows:

(i). The Project is not expected to be sold or otherwise disposed of in whole or in part prior to the last maturity of the Bonds;

(ii). All of the proceeds of sale of and investment earnings on the Bonds are needed for paying the costs of the Grant and the Project, including expenses incidental thereto and to the issuance of the Bonds;

(iii). The Town will receive the agreed upon purchase price plus accrued interest from the sale of the Bonds and that accrued interest received upon the sale of the Bonds will be deposited in the Bond and Interest Account and applied to the first interest due thereon;

(iv). The Town expects that all of the money derived from the sale of the Bonds and deposited in the Project Account, which is the account from which the cost of the Project is to be paid, and all of the investment earnings on said money, will be expended for the purpose of paying costs of the Grant and the Project within three (3) years following the date of issue of the Bonds.

(v). Work on the Project is expected to proceed with due diligence to completion.

(vi). The Town has incurred, or within six (6) months after the delivery of the Bonds expects to incur, a substantial binding obligation to a third party to expend at least 5 percent of the Project Account on the Project. An obligation is not binding if it is subject to contingencies within the Town's or a related party's control.

(vii). Except for the Bond and Interest Account, the Town has not created or established and will not create or establish any sinking funds, reserve fund or any other similar fund to provide for the payment of the Bonds. The Bond and Interest Account has been established and will be funded in a manner primarily to achieve proper matching of revenues and debt service, and will be depleted at least annually to an amount not in excess of the greater of (i) the earnings on the Bond and Interest Account for the immediately preceding bond year or (ii) 1/12th of the particular annual debt service on the Bonds for the immediately preceding year. Money deposited in the Bond and Interest Account will be spent within a 13 month period beginning on the date of deposit, and investment earnings in the Bond and Interest Account will be spent or withdrawn from the Bond and Interest Account within a one year period beginning the date of receipt.

(viii). The Town expressly intends that the Bonds be paid from "generally applicable taxes" in accordance with the Code and in support thereof, notwithstanding anything in the Redevelopment Agreement or the exhibits to the contrary, nothing therein or herein shall be construed to prevent the Redeveloper from contesting the assessment or collection of any real property taxes or seeking an exemption from the imposition of general real estate taxes, or requiring the approval of the Town therefor.

(ix). The foregoing statements of expectation are based upon the following facts and estimates:

(A) Amounts shown as received will be received pursuant to the Bond Purchase Agreement.

(B) Amounts paid or to be paid into various funds and accounts have been directed to be paid into said funds and accounts by authority hereof or are expected to be so directed to be paid by further proceedings.

(x). To the best of the knowledge and belief of the Town, there are no facts, estimates or circumstances that would materially change the conclusions and representations set out in this Section, and the expectations set out in this Section are reasonable.

(xi). The Town has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may not certify bond issues under Treas. Reg. §1.148-2.

(xii). Moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

(d) The Town reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the covenants herein, provided it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters

pertaining to tax-exempt bonds to the effect that use or investment of such moneys as contemplated will not result in loss of the status of interest paid and received on the Bonds as not includible in the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations, in computing the environmental tax imposed on certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

Section 17. Designation as Qualified Tax-Exempt Obligations.

The Corporate Authorities recognize that Section 265(b)(3) of the Code provides that a "qualified tax-exempt obligation" as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Corporate Authorities on behalf of the Town hereby designate each of the Bonds as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a "qualified tax-exempt obligation" as provided therein. In support of such designation, the Corporate Authorities covenant, represent and certify as follows:

- (a) none of the Bonds are "private activity bonds" as defined in Section 141(a) of the Code;
- (b) including the Bonds, the Town (including any entities subordinate thereto) has not issued to date and does not reasonably expect to issue qualified tax-exempt obligations (other than private activity bonds) during the calendar year of issuance of the Bonds in an amount in excess of \$10,000,000; and
- (c) including the Bonds, not more than \$10,000,000 of obligations issued by the Town (including any entities subordinate thereto) during the calendar year of issuance of the Bonds have been designated to date or will be designated by the Town for purposes of said Section 265(b)(3).

Section 18. Bonds Not Private Activity Bonds.

No Bond is a "private activity bond" as defined in Section 141(a) of the Code and in support thereof, the Town covenants, represents, and certifies as follows:

- (a) none of the proceeds of the Bonds are to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit;
- (b) no direct or indirect payments of the principal or interest are to be made on any Bond with respect to any private business use by any person other than a state or local governmental unit;
- (c) none of the proceeds of the Bonds are to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit;
- (d) no user of the Project will use the same on any basis other than the same basis as the general public, and no person (as defined in the Code) will be a user of such Project as a result of (i) ownership; (ii) actual or beneficial use pursuant to a lease or a management or incentive payment; or (iii) any other arrangement; and

- (e) No portion of the net proceeds of the Bonds has been or will be used (directly or indirectly) to make or finance loans to persons other than governmental units, no nongovernmental person will derive an economic benefit that could be deemed a loan as a result of the transactions financed with the net proceeds of the Bonds, and no portion of the net proceeds will be transferred to a nongovernmental person in return for a promise to repay such sums. The Bonds are secured by generally applicable taxes and no taxpayer or other party has made a special agreement that results in such taxes as not being treated as generally applicable as defined in Section 1.141-4(e) of the Code.

Section 19. Rebate Account.

In the event that the Town shall invest moneys in any investments which generate income that must be rebated or paid to the United States of America pursuant to Section 148(f) of the Code, the Town shall establish a special account, designated as the "Rebate Account" and such income shall be deposited into the Rebate Account. Moneys in the Rebate Account shall be applied to pay such sums as are required to be paid to the United States of America pursuant to Section 148(f) of the Code and are hereby appropriated and set aside for such purpose.

Section 20. Defeasance and Payment of Bonds.

(a) If the Town shall pay or cause to be paid to the registered owners of the Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the Town to the registered owners and the beneficial owners of the Bonds shall be discharged and satisfied.

(b) Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of paragraph(a) of this Section if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" or "Qualified Illinois Securities" as defined in paragraph (c) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said Bonds on and prior to the applicable redemption date or maturity date thereof.

(c) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America or (iv) coupons or interest installments stripped

from bonds of the Resolution Funding Corporation. As used in this Section, the term "Qualified Illinois Obligations" means non-callable and non-prepayable general obligation bonds of the State of Illinois.

Section 21. Registered Form.

The Town recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be tax-exempt under laws in force at the time the Bonds are delivered. In this connection, the Town agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 22. Ordinance to Constitute a Contract.

The provisions of this ordinance shall constitute a contract between the Town and the registered owners of the bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Town shall be for the equal benefit, protection and security of the owners of any and all of the Bonds. All of the Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Ordinance. This Ordinance shall constitute full authority for the issuance of the Bonds and to the extent that the provisions of this Ordinance conflict with the provisions of any other ordinance or resolution of the Town, the provisions of this ordinance shall control. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 23. Continuing Disclosure.

For the benefit of the beneficial owners of the Bonds, the Town covenants and agrees to provide an annual report containing certain financial information and operating data relating to the Town and to provide notices of the occurrence of certain enumerated events.

The annual report shall be filed with the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access ("EMMA") system within 210 days after the close of the Town's fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the Town and such additional information as noted in the Official Statement for the Bonds under the caption "Continuing Disclosure." Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement shall be included in the annual report and the audited financial statement shall be filed within 30 days after it becomes available.

The Town also covenants and agrees, for the benefit of the beneficial owners of the Bonds, to provide notice in a timely manner (not in excess of ten business days after the occurrence) to the MSRB of any failure of the Town to file any such annual report within the 210 day period and of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or

liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Bondholders, if material; (8) bonds calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Town (This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town); (13) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

It is found and determined that the Town has agreed to the undertakings contained in this Section in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Exchange Act. The President is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the Town, each and every thing necessary to accomplish the undertakings of the Town contained in this Section for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the Town remains an "obligated person" under Rule 15c2-12 with respect to the Bonds. MSRB Rule G-32 requires all EMMA filings to be in word searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

The undertakings contained in this Section may be amended by the Town upon a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Securities and Exchange Commission, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted; provided that (a) the undertaking, as amended, would have complied with the requirements of Rule 15c2-12(b)(5) 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 (b) in the opinion of nationally recognized bond counsel selected by the Town, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

In the event of a failure of the Town to comply with any provision of this Section, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Town to comply with its obligations under this Section. A default under this Section

shall not be deemed a default under the Bond Ordinance, and the sole remedy under this Section in the event of any failure of the Town to comply with this Section shall be an action to compel performance.

Section 24. Bond Registrar and Paying Agent.

The Town covenants that it will maintain at the designated office of the Bond Registrar a place where Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the Bond Registrar maintain proper registration books and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities business.

The Bond Registrar, shall signify acceptance of the duties and obligations imposed upon the Bond Registrar by this Ordinance, and any successor Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance, by executing the certificate of authentication on any Bond, and by such execution the Bond Registrar shall be deemed to have certified to the Town the acceptance of such duties and obligations not only with respect to the Bond so authenticated but with respect to all the Bonds. The Bond Registrar is the agent of the Town and shall not be liable in connection with the performance of his duties except for its own negligence or default. The Bond Registrar shall, however, be responsible for any representation in the certificate of authentication on the Bonds.

The Town may appoint a successor Bond Registrar or Paying Agent at any time. In case at any time the Bond Registrar or Paying Agent shall resign or shall be removed or shall become incapable of acting, the Town covenants and agrees that it will thereupon appoint a successor Bond Registrar or Paying Agent. The Town shall mail notice of any such appointment made by it to each registered owner of Bonds within twenty days after such appointment. Any successor Bond Registrar or Paying Agent appointed under the provisions of this Section shall be a bank, trust company or national banking association with trust powers duly authorized to do business as a bond registrar or paying agent.

Section 25. Publication.

The Town Clerk is hereby authorized and directed to publish this Ordinance in pamphlet form and to file copies thereof for public inspection in the Town Clerk's office.

Section 26. Superseder and Effective Date.

All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded. Pursuant to the Town's home rule powers and authority, all requirements preliminary to the adoption of this Ordinance are waived, and this Ordinance shall be in full force and effect upon its passage, approval and recording by the Town Clerk.

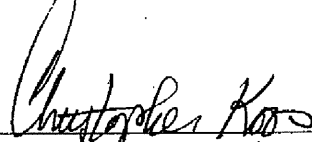
Adopted October 6, 2014, upon motion of Trustee Scott Preston and seconded by Trustee Sonja Reece, by roll call vote as follows:

AYES: Kevin McCarthy, Scott Preston, Chuck Scott, Sonja Reece, Christopher Koos

NAYS: None

ABSENT: Jeffrey Fritzen, Cheryl Gaines

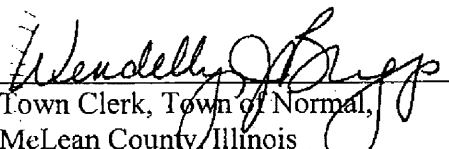
APPROVED October 6, 2014



President, Town of Normal,
McLean County, Illinois

Recorded in Town Records October 6, 2014

Attest:



Town Clerk, Town of Normal,
McLean County, Illinois

CERTIFICATION OF ORDINANCE

I, Wendellyn Briggs, Town Clerk of the Town of Normal, in McLean County, Illinois (the "Town"), hereby certify that the foregoing Ordinance 5560 entitled "AN ORDINANCE authorizing the issuance of General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois, in an amount not to exceed \$10,000,000 for the purpose of financing the costs of the construction of a new fire station and the cost of the Town's contribution to the One Uptown Circle Hotel Development" (the "Ordinance") is a true copy of an original ordinance which was duly adopted by the recorded affirmative votes of a majority of the President and Board of Trustees of the Town (the "Corporate Authorities") at a meeting thereof which was duly called and held in compliance with the Open Meetings Act on October 6, 2014, and at which a quorum was present and acting throughout, and that such copy has been compared by me with the original Ordinance signed by the President of the Town and recorded in the Ordinance book of the Town and that it is a correct transcript thereof and of the whole of the Ordinance, and that the Ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I do further certify that the deliberations of the Corporate Authorities on the adoption of Ordinance were taken openly, that the vote on the adoption of said Ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Corporate Authorities at least 48 hours in advance of the holding of said meeting, and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and the Municipal Code of the State of Illinois, as amended, and that the Corporate Authorities has complied with all of the applicable provisions of said Acts and Code, and with all of the procedural rules of the Town.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Normal, Illinois this December 4, 2014.


Town Clerk

(SEAL)

MINUTES OF THE REGULAR MEETING OF THE NORMAL TOWN COUNCIL HELD IN THE COUNCIL CHAMBERS, NORMAL CITY HALL, FOURTH FLOOR UPTOWN STATION, 11 UPTOWN CIRCLE, NORMAL, MCLEAN COUNTY, ILLINOIS – MONDAY, OCTOBER 6, 2014.

1. CALL TO ORDER:

Mayor Chris Koos called the regular meeting of the Normal Town Council to order at 7:01 p.m., Monday, October 6, 2014.

2. ROLL CALL:

The Clerk called the roll with the following persons physically

PRESENT: Mayor Chris Koos and Councilmembers Sonja Reece, Kevin McCarthy, Scott Preston, and Chuck Scott. Also present were City Manager Mark Peterson, Deputy City Manager Pamela Reece, Corporation Counsel Brian Day, and Town Clerk Wendy Briggs.

ABSENT: Councilmembers Jeff Fritzen and Cheryl Gaines.

3. PLEDGE OF ALLEGIANCE:

Mayor Koos led the Pledge of Allegiance to the Flag.

4. OMNIBUS VOTE AGENDA:

Mayor Koos read aloud the items to be considered on the Omnibus Vote Agenda.

- A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 15, 2014:
- B. APPROVAL OF TOWN OF NORMAL EXPENDITURES FOR PAYMENT AS OF OCTOBER 1, 2014:
- C. MOTION APPROVING PAYMENT OF \$91,394.11 TO STARK EXCAVATING, INC., FOR THE EMERGENCY REPLACEMENT OF WATER MAIN NEAR 1306 IRONWOOD CC DRIVE AND THE ASSOCIATED BUDGET ADJUSTMENT:
- D. MOTION TO ACCEPT WATER TREATMENT PLANT CHEMICAL BIDS FOR NOVEMBER 2014 THROUGH OCTOBER 2015:
- E. RESOLUTION WAIVING THE FORMAL BIDDING REQUIREMENTS AND AUTHORIZING THE PURCHASE OF SOFTWARE FOR SANITARY SEWER INSPECTION FROM E.J. EQUIPMENT IN THE AMOUNT OF \$17,256 AND APPROVAL OF AN ASSOCIATED BUDGET ADJUSTMENT: Resolution No. 5048:
- F. RESOLUTION ACCEPTING TEMPORARY CONSTRUCTION EASEMENTS FROM ADVOCATE HEALTH AND HOSPITALS CORPORATION FOR THE UNIVERSITY STREET BRIDGE PROJECT: Resolution No. 5049:

- G. RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF NORMAL AND THE COUNTY OF MCLEAN FOR TRAFFIC SIGNALS AT TOWANDA BARNES ROAD AND RAAB ROAD: Resolution No. 5050:
- H. ORDINANCE CONDITIONALLY APPROVING A SPECIAL USE PERMIT FOR A TELECOMMUNICATION TOWER (ROUTE 66 AND PAPERCHASE):
- I. ORDINANCE CONDITIONALLY APPROVING A SPECIAL USE PERMIT FOR A TELECOMMUNICATION TOWER (2200 W. COLLEGE):
- J. ORDINANCE AMENDING SECTION 4.7 OF THE LIQUOR CODE – ISU ART GALLERY AT UPTOWN STATION:

Mayor Koos excused himself from voting on any bills he may have incurred while performing his Mayoral duties.

Councilmember Reece excused herself from voting on any bills submitted by Advocate BroMenn Medical Center, from any expenses she may have incurred while performing Council duties, and from Item F.

Items H, I, and J were removed from the Omnibus Vote Agenda.

MOTION:

Councilmember McCarthy moved, seconded by Councilmember Reece, the Council Approve the Omnibus Vote Agenda.

AYES: Reece, McCarthy, Preston, Scott, Koos.
 NAYS: None.
 ABSENT: Fritzen, Gaines.
 Motion declared carried.

Items A, B, C, D, E, F, and G were approved by the Omnibus Vote Agenda.

5. ITEMS REMOVED FROM OMNIBUS VOTE AGENDA:

- H. ORDINANCE CONDITIONALLY APPROVING A SPECIAL USE PERMIT FOR A TELECOMMUNICATION TOWER (ROUTE 66 AND PAPERCHASE): Ordinance No. 5556:

MOTION:

Councilmember McCarthy moved, seconded by Councilmember Scott, the Council Approve an Ordinance Conditionally Approving a Special Use Permit for a Telecommunication Tower (Route 66 and Paperchase).

Councilmember McCarthy posed questions for clarification purposes concerning the proposed height of this tower, specifically as to whether the Municipal Code should be amended to raise the allowable tower height. Building Commissioner Greg Troemel addressed Councilmember McCarthy's concerns, indicating he did not see a need to amend the Code at this time. Mr. Troemel also responded to Councilmember Reece's questions pertaining to co-locations on these towers.

AYES: McCarthy, Preston, Scott, Reece, Koos.
NAYS: None.
ABSENT: Fritzen, Gaines.
Motion declared carried.

I. ORDINANCE CONDITIONALLY APPROVING A SPECIAL USE PERMIT FOR A TELECOMMUNICATION TOWER (2200 W. COLLEGE): Ordinance No. 5557:

MOTION:

Councilmember McCarthy moved, seconded by Councilmember Reece, the Council Approve an Ordinance Conditionally Approving a Special Use Permit for a Telecommunication Tower (2200 W. College).

AYES: Preston, Scott, Reece, McCarthy, Koos.
NAYS: None.
ABSENT: Gaines, Fritzen.
Motion declared carried.

Councilmember Scott left the table at 7:10 p.m.

J. ORDINANCE AMENDING SECTION 4.7 OF THE LIQUOR CODE – ISU ART GALLERY AT UPTOWN STATION: Ordinance No. 5558:

MOTION:

Councilmember Preston moved, seconded by Councilmember McCarthy, the Council Approve an Ordinance Amending Section 4.7 of the Liquor Code – ISU Art Gallery at Uptown Station.

Councilmember Preston questioned why this issue was not addressed in the Lease Agreement with ISU for the Art Gallery. City Manager Mark Peterson responded this Code amendment is simply to clean up the language in the Municipal Code concerning alcohol in public buildings.

AYES: Reece, McCarthy, Preston, Koos.
NAYS: None.
ABSENT: Fritzen, Scott, Gaines.
Motion declared carried.

Councilmember Scott returned to the table at 7:13 p.m.

GENERAL ORDERS:

6. ORDINANCE REGULATING THE POSSESSION OF PRIMATES WITHIN THE TOWN OF NORMAL: Ordinance No. 5559:

MOTION:

Councilmember Scott moved, seconded by Councilmember Preston, the Council Approve the Ordinance Regulating the Possession of Primates within the Town of Normal.

Mayor Koos commented the proposed Ordinance is basically a housekeeping Ordinance. The Town is following the Illinois State statute concerning possession of primates with three exceptions: 1) the Town's Ordinance prohibits contact with the general public; 2) the Town's Ordinance does not allow monkeys as service animals; and 3) the Town's Ordinance requires annual registration of primates.

AYES: Reece, McCarthy, Preston, Scott, Koos.

NAYS: None.

ABSENT: Fritzen, Gaines.

Motion declared carried.

7. ORDINANCE AUTHORIZING THE ISSUANCE OF \$10,000,000 GENERAL OBLIGATION BONDS, SERIES 2014 TO BE USED TO FUND THE TOWN'S CONTRIBUTION TO THE ONE UPTOWN CIRCLE HOTEL DEVELOPMENT AND CONSTRUCTION OF A NEW FIRE STATION: Ordinance No. 5560:

MOTION:

Councilmember Preston moved, seconded by Councilmember Reece, the Council Approve the Ordinance Authorizing the Issuance of \$10,000,000 General Obligation Bonds, Series 2014 to be Used to Fund the Town's Contribution to the One Uptown Circle Hotel Development and Construction of a New Fire Station.

City Manager Mark Peterson indicated Mr. Todd Krzyskowski of Mesirow Financial, Inc., and Bond Counsel Mike Southworth of Hart, Southworth and Witsman were present to answer any questions from Council.

AYES: McCarthy, Preston, Scott, Reece, Koos.

NAYS: None.

ABSENT: Fritzen, Gaines.

Motion declared carried.

8. RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE HEARTLAND COMMUNITY COLLEGE FOUNDATION ON THE CREATION OF A TOWN OF NORMAL ENDOWED SCHOLARSHIP FUND: Resolution No. 5051:

MOTION:

Councilmember Scott moved, seconded by Councilmember Reece, the Council Adopt a Resolution Authorizing the Execution of an Agreement with the Heartland Community College Foundation on the Creation of a Town of Normal Endowed Scholarship Fund.

Councilmember Reece posed questions concerning the residency requirements for the applicants for the scholarships. City Manager Mark Peterson indicated the applicants would have to be residents of Normal and Heartland Community College Foundation would review all the scholarship applications and make the appropriate determinations.

Councilmember Preston posed questions concerning the funding, specifically if it is anticipated after the five-year commitment from the Town, if the fund was expected to be fully funded and no further endowments would be required. City Manager Mark Peterson responded in the affirmative.

AYES: Preston, Scott, Reece, McCarthy, Koos.

NAYS: None.

ABSENT: Gaines, Fritzen.
Motion declared carried.

NEW BUSINESS:

9. MOTION TO APPROVE AN APPOINTMENT TO THE CHILDREN'S DISCOVERY MUSEUM FOUNDATION BOARD:

MOTION:

Councilmember Preston moved, seconded by Councilmember Scott, the Council Approve the Recommended Appointment to the Children's Discovery Museum Foundation Board.

AYES: Scott, Reece, McCarthy, Preston, Koos.
NAYS: None.
ABSENT: Gaines, Fritzen.
Motion declared carried.

Councilmember Reece announced Mr. Steve Malliet had been appointed to the Children's Discovery Museum Foundation Board, his term of office to expire June 20, 2017. Mr. Malliet will fill the seat vacated when Ms. Tammy Monk elected not to serve another term of office.

10. CONCERNS:

There were none.

11. ADJOURNMENT:

There being no further business to come before the Council, Mayor Koos called for a Motion to Adjourn.

MOTION:

Councilmember McCarthy moved, seconded by Councilmember Scott, the Regular Meeting of the Normal Town Council be Adjourned.

AYES: Reece, McCarthy, Preston, Scott, Koos.
NAYS: None.
ABSENT: Fritzen, Gaines.
Motion declared carried.

Mayor Chris Koos adjourned the regular meeting of the Normal Town Council at 7:25 p.m., Monday, October 6, 2014.

PROPOSED AGENDA FOR TOWN COUNCIL MEETING
OCTOBER 6, 2014
7:00 p.m.

6:55 p.m. Special Meeting of the Normal Local Liquor Commission

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. OMNIBUS VOTE AGENDA

(All items under the Omnibus Vote Agenda are considered to be routine in nature and will be enacted by one motion. There will be no separate discussions of these items unless a Council Member so requests, in which event, the item will be removed from the Omnibus Vote Agenda and considered as the first item after approval of the Omnibus Vote Agenda.)

A. Approval of the Minutes of the Regular Meeting of September 15, 2014

B. Approval of Town of Normal Expenditures for Payment as of October 1, 2014

C. Motion Approving Payment of \$91,394.11 to Stark Excavating Inc. for the Emergency Replacement of Water Main Near 1306 Ironwood CC Drive and the Associated Budget Adjustment

D. Motion to Accept Water Treatment Plant Chemical Bids for November 2014 through October 2015

E. Resolution Waiving the Formal Bidding Requirements and Authorizing the Purchase of Software for Sanitary Sewer Inspection from E.J. Equipment in the Amount of \$17,256 and Approval of an Associated Budget Adjustment

F. Resolution Accepting Temporary Construction Easements from Advocate Health and Hospitals Corporation for the University Street Bridge Project

G. Resolution Authorizing an Intergovernmental Agreement Between the Town of Normal and the County of McLean for Traffic Signals at Towanda Barnes Road and Raab Road

H. Ordinance Conditionally Approving a Special Use Permit for a Telecommunication Tower (Route 66 and Paperchase)

I. Ordinance Conditionally Approving a Special Use Permit for a Telecommunication Tower (2200 W. College)

J. Ordinance Amending Section 4.7 of the Liquor Code – ISU Art Gallery at Uptown Station

5. ITEMS REMOVED FROM OMNIBUS VOTE AGENDA

GENERAL ORDERS

6. Ordinance Regulating the Possession of Primates within the Town of Normal
7. Ordinance Authorizing the Issuance of \$10,000,000 General Obligation Bonds, Series 2014, to be used to Fund the Town's Contribution to the One Uptown Circle Hotel Development and Construction of a New Fire Station
8. Resolution Authorizing the Execution of an Agreement with the Heartland Community College Foundation on the Creation of a Town of Normal Endowed Scholarship Fund

NEW BUSINESS

9. Motion to Approve an Appointment to the Children's Discovery Museum Foundation Board

CONCERNS

ADJOURNMENT

ADDENDUM

Minutes of the September 18, 2014 Zoning Board of Appeals Meeting

CERTIFICATION OF MINUTES

I, Wendellyn Briggs, do hereby certify that I am the duly qualified and acting Town Clerk of the Town of Normal, McLean County, Illinois (the "Town"), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the President and Board of Trustees of the Town (the "Corporate Authorities").

I do further certify that attached hereto is a true, complete and correct transcript of the minutes of the legally convened meeting of the Corporate Authorities held on October 6, 2014 and agenda for said meeting (the "Agenda") and a true, correct and complete copy of Ordinance No. 5560 (the "Ordinance") duly adopted at said meeting entitled:

AN ORDINANCE authorizing the issuance of General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois, in an amount not to exceed \$10,000,000 for the purpose of financing the costs of the construction of a new fire station and the cost of the Town's contribution to the One Uptown Circle Hotel Development

I do further certify that the deliberations of the Corporate Authorities on the adoption of said Ordinance were taken openly; that the vote on the adoption of said Ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all members of the Corporate Authorities and all of the news media requesting such notice at least 48 hours in advance of the holding of said meeting; that the Agenda for said meeting is a true and accurate copy of the agenda that was posted at the principal office of the Corporate Authorities and at the location where said meeting was held at least 48 hours in advance of the holding of said meeting; that the Agenda contained a specific item relating to adoption of said Ordinance; that said meeting was called and held in strict accordance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended; and that the Corporate Authorities have complied with all of the applicable provisions of said Act and said Code and their procedural rules in the adoption of said Ordinance.

I do further certify that the Ordinance was published in pamphlet form and that the Ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number, at my office as Town Clerk located in the Town.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and affixed the seal of the Town of Normal, Illinois this December 4, 2014.

(SEAL)


Town Clerk

BOND ORDER

We, Christopher Koos, President of the Town of Normal, Illinois (the "Town") and Mark Fitzgerald, City Manager of the Town, acting pursuant to the authority delegated to us in Ordinance No. 5560 adopted by the Board of Trustees of the Town on October 6, 2014, (the "Bond Ordinance") hereby make the following determinations with respect to the Town's General Obligation Bonds, Series 2014 (the "Bonds") authorized to be issued pursuant to the Bond Ordinance. Capitalized terms herein shall have the same meaning as in the Bond Ordinance.

1. The Bonds shall be issued in the aggregate principal amount of \$9,155,000. The Bonds delivered on original issuance shall be dated their date of delivery, shall mature on June 1 in each of the following years in the respective principal amount set opposite each such year, and the Bonds maturing in each such year shall bear interest from their date payable semi-annually on June 1 and December 1 of each year commencing June 1, 2015 at the respective rate of interest per annum set forth opposite such year as follows:

<u>Year</u>	<u>Principal Amount (%)</u>	<u>Interest Rate (%)</u>
2016	340,000	3.00
2017	350,000	3.00
2018	360,000	3.00
2019	370,000	4.00
2020	385,000	4.00
2021	400,000	4.00
2022	415,000	4.00
2023	435,000	4.00
2024	450,000	4.00
2025	470,000	4.00
2026	490,000	4.00
2028	1,040,000	4.00
2030	1,120,000	4.00
2032	1,215,000	4.00
2034	1,315,000	4.00

FILED
McLEAN COUNTY, ILLINOIS

NOV 25 2014

Kathy Michael
COUNTY CLERK

2. The Bonds maturing June 1 in the years 2028, 2030, 2032 and 2034 are issued as term bonds subject to mandatory redemption prior to maturity by application of sinking fund installments as follows:

Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

3. The annual tax levies for the Bonds shall be reduced from the amounts set forth in Section 10 of the Bond Ordinance to the amounts contained in the table set forth in the following paragraph:

For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the Town, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose in an amount not to exceed the sums set forth in the following table; and there is hereby levied on all of the taxable property in the Town, in addition to all other taxes, the following direct annual taxes, to-wit:

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2015	\$695,500.00
2016	\$695,500.00
2017	\$694,200.00
2018	\$694,400.00
2019	\$694,000.00

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2020	\$693,000.00
2021	\$696,400.00
2022	\$694,000.00
2023	\$696,000.00
2024	\$697,200.00
2025	\$697,600.00
2026	\$697,200.00
2027	\$696,000.00
2028	\$694,000.00
2029	\$696,200.00
2030	\$697,400.00
2031	\$697,600.00
2032	\$696,800.00

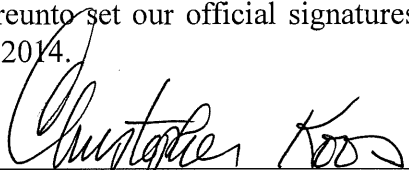
4. \$870,585.83 from cash on hand with the Town shall be deposited into the 2014 General Obligation Bond and Interest Account established by Section 12 of the Bond Ordinance on or before issuance of the Bonds and used to pay principal and interest on the Bonds through and including June 1, 2016.

5. The Bonds are hereby sold and awarded to Mesirow Financial, Inc., Chicago, Illinois ("Purchaser") at a purchase price of \$9,884,840.60 (representing the aggregate principal amount of the Bonds, \$9,155,000.00, plus a net premium of \$784,312.85, less an underwriter's discount of \$54,472.25).

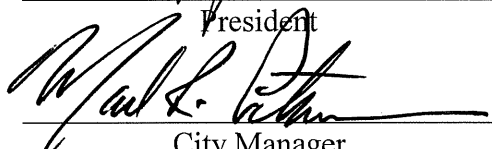
6. The Bonds shall be subject to optional redemption as follows:

The Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

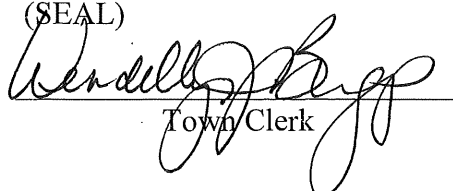
IN WITNESS WHEREOF, we have hereunto set our official signatures and the seal of the Town of Normal, Illinois this November 18, 2014.



 President



 City Manager

(SEAL)


 Town Clerk

STATE OF ILLINOIS)
)
COUNTY OF MCLEAN) SS.

CERTIFICATE OF FILING

I, Wendellyn J. Briggs, do hereby certify that I am the duly qualified and acting Town Clerk of the Town of Normal, Illinois (the “Town”), and as such officer I do hereby certify that on or before this date there has been filed in my office the attached Bond Order approved and executed by the President and City Manager of the Town, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the Town of Normal, Illinois, this November 25, 2014.


Town Clerk

(SEAL)

**TOWN OF NORMAL
MCLEAN COUNTY, ILLINOIS
GENERAL OBLIGATION BONDS, SERIES 2014**

BOND PURCHASE AGREEMENT

November 18, 2014

Town of Normal
11 Uptown Circle
P.O. Box 589
Normal, Illinois 61761

Ladies and Gentlemen:

The undersigned, Mesirow Financial, Inc. (the "*Underwriter*"), offers to purchase from the Town of Normal, McLean County, Illinois (the "*Issuer*"), all (but not less than all) of the \$9,155,000 General Obligation Bonds, Series 2014, of the Issuer (the "*Bonds*"). This offer is made subject to the Issuer's acceptance of this Bond Purchase Agreement (the "*Purchase Agreement*") on or before 11:59 p.m., Central Time, on the date hereof. Upon the Issuer's acceptance of this offer, it will be binding upon the Issuer and the Underwriter.

1. (a) Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, the Bonds. *Exhibit A*, which is incorporated by reference into this Purchase Agreement, contains a brief description of the Bonds, the manner of their issuance, the purchase price to be paid and the date of delivery and payment therefor (the "*Closing*"). The Underwriter is not acting as a fiduciary of the Issuer, but rather is acting solely in its capacity as Underwriter for its own account.

(b) The Underwriter has made or agrees to make a *bona fide* public offering of all of the Bonds at the initial offering price or prices set forth or corresponding to the yield or yields set forth on the cover page of the Official Statement (as defined below) and in *Exhibit A*, it being understood and agreed that after the initial offering the Underwriter may change such initial offering price or prices and yield or yields as the Underwriter deems necessary in connection with the marketing of the Bonds. The Underwriter will not increase such offering price or prices on the Bonds above the price or prices shown or corresponding to the yield or yields shown on the cover page of the Official Statement and in *Exhibit A* at any time prior to Closing, unless the Underwriter shall have received approval prior to the Closing for such increase from the Issuer (which approval may be telephonic, but which the Issuer will promptly confirm in writing). Furthermore, the Underwriter will not increase such offering price or prices on the Bonds above the price or prices shown or corresponding to yields shown on the cover

page of the Official Statement and in *Exhibit A*, unless the Underwriter provides a written explanation satisfactory to the Issuer no later than Closing as to why the Bonds are being offered at such higher price.

(c) The initial public offering of the Bonds will be or has been an offering to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers (“*Intermediaries*”). None of the Bonds have been or will be sold in the initial public offering to affiliates of the Underwriter or affiliated accounts of the Underwriter. For purposes of this Section, the term “*affiliate*” means any entity or person that controls, is controlled by or is under common control with the Underwriter, or with whom the Underwriter has any fee sharing or other financial arrangement other than as arms-length seller and purchaser, and the term “*affiliated account*” means any account that is controlled by the Underwriter or an affiliate of the Underwriter or in which the Underwriter or an affiliate of the Underwriter has a beneficial ownership interest.

(d) The Underwriter may, simultaneously with the initial public offering, offer Bonds to Intermediaries, *provided* that in the event of an oversubscription, no orders from investors who are not Intermediaries may be rejected in favor of orders from Intermediaries. The initial offering price or prices have been set so that the Underwriter now reasonably expects to sell at least 10% of every maturity of the Bonds at that price to the public (excluding sales to Intermediaries) before any Bonds of the same maturity are sold at a different price. The initial offering price or prices set forth or corresponding to the yield or yields set forth on the cover page of the Official Statement and in *Exhibit A* are not lower than the fair market value of the Bonds to the public at this time. If any portion of any maturity of the Bonds is sold at a price in excess of the initial offering price corresponding to the yield set forth on the cover page of the Official Statement and in *Exhibit A* for such maturity of the Bonds prior to the Closing or one week thereafter, as determined by the Issuer based on any other information (including later EMMA information), upon request of the Issuer, the Underwriter will provide a written explanation as to why any such Bonds were sold or were able to be sold at a price in excess of the initial offering price to the extent within the control or knowledge (including knowledge of the bond market) of the Underwriter. The Underwriter shall deliver to the Issuer the EMMA information for the one week period after Closing.

(e) The Underwriter agrees to provide supporting certificates and evidence as reasonably requested by the Issuer, its Bond Counsel or the Issuer’s attorney for the purpose of documenting compliance with the covenants in subsections (b), (c) and (d) above.

2. (a) Concurrently with the execution hereof, the Issuer will approve an Official Statement (the “*Official Statement*”) in substantially the form of the Preliminary Official Statement of the Issuer, dated November 11, 2014, relating to the Bonds (the “*Preliminary Official Statement*”), with such changes from the Preliminary Official Statement as the Underwriter and the Issuer shall approve, and will execute a Bond Order, pursuant to and as defined in that certain bond ordinance adopted by the Town Council of the Issuer on October 6, 2014 (such Bond Order and bond ordinance are collectively referred to herein as the “*Bond Ordinance*”), satisfactory in form and substance to the Underwriter. The Underwriter is authorized by the Issuer to use these documents and the information contained in them in

connection with the public offering and sale of the Bonds. The Issuer has heretofore deemed the Preliminary Official Statement to be "final" as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("*Rule 15c2-12*"). The Issuer hereby agrees to provide to the Underwriter within seven business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 and the Rules of the Municipal Securities Rulemaking Board.

(b) The Issuer hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "*Undertaking*") to provide ongoing disclosure about the Issuer, for the benefit of the beneficial owners of the Bonds on or before the date of the Closing (the "*Closing Date*") as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter. Except as noted in the Official Statement, the Issuer is in compliance with each and every undertaking previously entered into by it pursuant to the Rule.

3. The Issuer represents and covenants to the Underwriter that:

(a) the Issuer has and will have at the Closing the power and authority to enter into and perform this Purchase Agreement, to adopt the Bond Ordinance and to deliver and sell the Bonds to the Underwriter;

(b) this Purchase Agreement and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which the Issuer is subject or by which it is bound;

(c) any governmental approval or authorization that is required in connection with the sale of the Bonds to the Underwriter has been received by the Issuer;

(d) this Purchase Agreement is, and this Purchase Agreement and the Bonds will be at the time of the Closing, the legal, valid and binding obligation of the Issuer enforceable in accordance with its respective terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors' rights and subject to the exercise of judicial discretion;

(e) the information in the Preliminary Official Statement (except as changed by the Official Statement) was, and in the Official Statement is, true and correct in all material respects and did not and does not omit any statement or information required to be stated therein or which is necessary to make the statements and information contained therein not misleading in any material respect;

(f) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or affecting the corporate existence or home rule power of the Issuer, the titles of its officers to their respective offices or the boundaries of the Issuer, or

seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Bond Ordinance or this Purchase Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and the delivery of this Purchase Agreement;

(g) the Issuer is not in breach of or in default under any existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is or may be bound, and no event has occurred or is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case, in any manner or to any extent that could have a material adverse effect on the financial condition of the Issuer, the operations of the Issuer or the transactions contemplated by this Purchase Agreement and the Official Statement, or have an adverse effect on the validity or enforceability in accordance with the respective terms of the Bonds or the Bond Ordinance or in any way adversely affect the existence or powers of the Issuer or the excludability of the interest on the Bonds from gross income for federal income tax purposes;

(h) on or before the Closing Date, the Issuer will have designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code;

(i) the Issuer’s audited general purpose financial statements as of and for the fiscal year ended March 31, 2014, is a fair presentation of the financial position of the Issuer as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since March 31, 2014, there has been no material adverse change in the condition, financial or otherwise, of the Issuer from that set forth in the audited financial statements as of and for the period ended that date, except as disclosed in the Official Statement; and the Issuer has not since March 31, 2014, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations or as disclosed in the Official Statement;

(j) the Issuer will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or result in such proceeds being applied in a manner other than as provided in the Bond Ordinance;

(k) each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Underwriter in connection with the transactions contemplated by the Bond Ordinance and this Purchase Agreement, at or before the Closing, shall constitute a representation, warranty or agreement by the Issuer upon which the Underwriter shall be entitled to rely; and

(l) if between the date of this Purchase Agreement and 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12) any event shall occur, which, in the Issuer’s opinion, might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in

the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter; and any approval by the Underwriter of such supplement or amendment to the Official Statement prior to the Closing shall not preclude the Underwriter from thereafter terminating this Purchase Agreement, and if the Official Statement is amended or supplemented subsequent to the date hereof, the Underwriter may terminate this Purchase Agreement by notification to the Issuer at any time prior to the Closing, if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

4. (a) From the time of the execution and delivery of this Purchase Agreement to the Closing Date, there shall not have been any: (i) material adverse change in the financial condition or general affairs of the Issuer; (ii) event, court decision, proposed law or rule that may have the effect of changing the federal income tax incidents of the Bonds or the contemplated transactions; (iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in the Underwriter's opinion, the market price of the Bonds; or (iv) downgrade, suspension or withdrawal of any rating assigned to the Bonds by Moody's Investors Service, Inc. ("*Moody's*"), or Fitch Ratings ("*Fitch*"), or a statement released by Moody's or Fitch regarding a downgrading, suspension or withdrawal of such ratings, and such action, in the reasonable opinion of the Underwriter, materially and adversely affects the market price for the Bonds.

(b) As conditions to the Underwriter's obligations hereunder, at the Closing, the Issuer will deliver or make available to the Underwriter:

(i) the Bonds, in definitive form, duly executed and bearing proper CUSIP numbers;

(ii) a certificate from authorized officers of the Issuer, in form and substance acceptable to the Underwriter, to the effect that the Official Statement, to the knowledge and belief of such officers, after due review, is accurate and complete in all material respects, and that the representations of the Issuer contained in this Purchase Agreement are true and correct when made and as of the Closing;

(iii) the approving opinion of Hart, Southworth and Witsman, Springfield, Illinois, Bond Counsel, satisfactory to the Underwriter, dated the Closing Date, relating to the legality of the Bonds and the tax-exempt status of the interest on the Bonds;

(iv) a certificate indicating that there is no proceeding contesting the legality of the Bonds, the Bond Ordinance or the proceedings pursuant to which the Bond Ordinance was authorized and no material litigation with respect to the Issuer executed by authorized officials of and counsel to the Issuer;

(v) a certificate, satisfactory to the Underwriter, of an appropriate officer of the Issuer, dated the Closing Date, to the effect that the Issuer is in full compliance with each and every undertaking previously entered into by it pursuant to Rule 15c2-12, except as noted in the Official Statement;

(vi) a fully executed copy of the Undertaking;

(vii) a certified copy of the Bond Ordinance;

(viii) such additional certificates, instruments and other documents (including, without limitation, those set forth on *Exhibit A* hereto) as the Underwriter may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Underwriter.

5. (a) The fees and disbursements of Bond Counsel, the cost of preparing and printing the Bonds, the cost of obtaining any ratings in connection with the issuance of the Bonds, including rating agency fees, the fees of the Registrar and Paying Agent for the Bonds, the cost of printing and mailing the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the Issuer incurred in connection with the offering and delivery of the Bonds, including the assignment of CUSIP identification numbers, shall all be the obligation of the Issuer.

(b) The obligation of the Issuer to pay the above-described expenses shall survive the termination of this Purchase Agreement or the failure to consummate the transactions described herein.

6. This Purchase Agreement is intended to benefit only the parties hereto, and the Issuer's representations and warranties shall survive any investigation made by or for the Underwriter, delivery and payment for the Bonds and the termination of this Purchase Agreement.

7. The Issuer acknowledges and agrees that (a) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, (b) in connection with the purchase and sale of the Bonds and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an agent, advisor or fiduciary of the Issuer, (c) the Underwriter has not assumed any advisory or fiduciary responsibility in favor of the Issuer with respect to the purchase and sale of the Bonds or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement, (d) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, and (e) the Issuer will not claim that the Underwriter has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer, in connection with the purchase and sale of the Bonds or the process leading thereto.

8. The Underwriter shall have the right to cancel its obligation to purchase the Bonds, if, between the date of this Purchase Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or any member of the Congress or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the State of Illinois (the "State") or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired, which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Bond Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds, as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or other national securities exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general

character of the Bonds, any material restrictions not now in force or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or state court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Issuer, its property or income securities (or interest thereon) or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known, which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Purchase Agreement any material adverse change in the affairs or financial condition of the Issuer;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a local, national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the judgment of the Underwriter, requires or has required an amendment of or supplement to the Official Statement;


(k) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Issuer's obligations; and

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

9. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

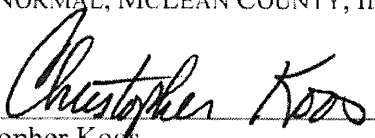
MESIROW FINANCIAL, INC.,
Chicago, Illinois

By: 

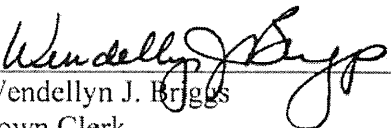
Todd S. Krzyskowski,
Managing Director

Accepted on behalf of

TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS

By: 

Christopher Kogs
Mayor

By: 

Wendellyn J. Briggs
Town Clerk

EXHIBIT A

DESCRIPTION OF BONDS

1. PURCHASE PRICE: \$9,884,840.60 (representing the \$9,155,000.00 aggregate principal amount of the Bonds, plus an original issue premium of \$784,312.85 and less an Underwriter's discount of \$54,472.25).

2. DETAILS: The Bonds shall be issued in an aggregate principal amount of \$9,155,000, shall be dated the date of their issuance and shall become due and payable (with option of prior redemption as set forth below) on June 1 of the years, in the principal amounts and bearing interest as follows:

YEAR	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	PRICE OR YIELD (%)	CUSIP (656066)
2016	340,000	3.00	0.60	NC7
2017	350,000	3.00	0.80	ND5
2018	360,000	3.00	1.05	NE3
2019	370,000	4.00	1.35	NF0
2020	385,000	4.00	1.65	NG8
2021	400,000	4.00	1.95	NH6
2022	415,000	4.00	2.20	NJ2
2023	435,000	4.00	2.35	NK9
2024	450,000	4.00	2.47	NL7
2025	470,000	4.00	2.62	NM5
2026	490,000	4.00	2.77	NN3
2028	1,040,000	4.00	3.00	NQ6
2030	1,120,000	4.00	3.10	NS2
2032	1,215,000	4.00	3.20	NU7
2034	1,315,000	4.00	3.30	NW3

3. FORM: The Bonds shall be delivered in the form of a separate, single, certificated, fully registered Bond for each of the maturities set forth above, and each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), all as provided in the Bond Ordinance. The Bonds shall be available at such place as is designated by the Underwriter in New York, New York, or such other place as the Underwriter and the Issuer agree upon, for examination and packaging by the Underwriter at least 24 hours prior to the Closing and at Closing shall be delivered to the Underwriter through the facilities of DTC.

4. REDEMPTION:

(a) Optional Redemption. The Bonds maturing on or after June 1, 2025, are callable at the option of the Issuer on any date on or after June 1, 2024, at a price of par, plus accrued interest on the principal amount being redeemed.

(b) Mandatory Sinking Fund Redemption. The Bonds due on June 1 of the years 2028, 2030, 2032 and 2034 are subject to mandatory sinking fund redemption as set forth in the Official Statement.

5. CLOSING DATE: December 4, 2014, or such other date mutually agreed to by the Issuer and the Underwriter.

6. DELIVERY: Delivery and payment shall be made at the offices of Hart, Southworth and Witsman, Springfield, Illinois, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

7. ADDITIONAL CLOSING AND OTHER DOCUMENTS:

a. A copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G.

b. A letter of representations to DTC, in the form executed by the Issuer.

c. Evidence satisfactory to the Underwriter that the Bonds have been rated "Aa1" (Stable Outlook) by Moody's and "AAA" (Stable Outlook) by Fitch.

CERTIFICATE OF ABATEMENT OF TAX LEVIES FOR
THE TOWN OF NORMAL, ILLINOIS GENERAL
OBLIGATION BONDS, SERIES 2014

TO THE COUNTY CLERK OF THE COUNTY OF MCLEAN, ILLINOIS:

We, the undersigned, being the duly qualified and acting President and Town Clerk of the Town of Normal, Illinois (the "Town"), having been directed and authorized by the Board of Trustees of the Town pursuant to Ordinance No. 5560 adopted October 6, 2014 (the "Bond Ordinance") to prepare and file this Certificate of Abatement, do hereby certify and notify you as follows:

1. The Town has issued its \$9,155,000 General Obligation Bonds, Series 2014 (the "Bonds") pursuant to the Bond Ordinance.

2. Section 10 of the Bond Ordinance provides for a maximum annual tax levy during the years 2014 through 2039 inclusive in the amounts set forth therein.

3. Section 11 of the Bond Ordinance further provides that in the event Bonds are issued in such amount or at such rates that result in annual tax levies less than required by Section 10, the reduced tax levies shall be contained in a Bond Order filed with the County Clerk of The County of McLean, Illinois together with a certificate abating the tax levies.

4. Pursuant to the Bond Ordinance, you are hereby notified and directed to make proper abatement of the taxes levied pursuant to Sections 10 and 11 of the Bond Ordinance for the years 2014 through and including 2039.

5. A true and accurate certified copy of the Bond Order is attached hereto and together with this certificate constitutes the authority for the abatement of the tax levies.

6. Pursuant to the Bond Ordinance, you are notified and directed that the tax levies to pay principal and interest on the Bonds, after abatement, to be levied upon all the taxable property within the Town's corporate limits in each of the years 2014 to 2039 inclusive are as follows:

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2014	\$0.00
2015	\$695,500.00
2016	\$695,500.00
2017	\$694,200.00
2018	\$694,400.00
2019	\$694,000.00
2020	\$693,000.00
2021	\$696,400.00

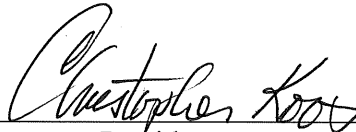
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MCLEAN COUNTY, ILLINOIS

NOV 25 2014

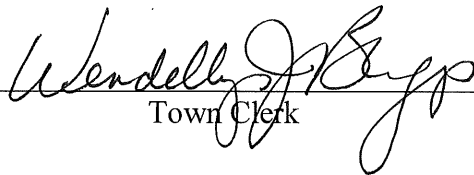
Kathy Michael
COUNTY CLERK

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2022	\$694,000.00
2023	\$696,000.00
2024	\$697,200.00
2025	\$697,600.00
2026	\$697,200.00
2027	\$696,000.00
2028	\$694,000.00
2029	\$696,200.00
2030	\$697,400.00
2031	\$697,600.00
2032	\$696,800.00
2033	\$0.00
2034	\$0.00
2035	\$0.00
2036	\$0.00
2037	\$0.00
2038	\$0.00
2039	\$0.00

IN WITNESS WHEREOF, we hereunto affix our official signatures, this November 25, 2014.



President



Town Clerk

(SEAL)

FILED
McLEAN COUNTY, ILLINOIS

NOV 25 2014

Kathy Michael
COUNTY CLERK

BOND ORDER

We, Christopher Koos, President of the Town of Normal, Illinois (the "Town") and Mark Fitzgerald, City Manager of the Town, acting pursuant to the authority delegated to us in Ordinance No. 5560 adopted by the Board of Trustees of the Town on October 6, 2014, (the "Bond Ordinance") hereby make the following determinations with respect to the Town's General Obligation Bonds, Series 2014 (the "Bonds") authorized to be issued pursuant to the Bond Ordinance. Capitalized terms herein shall have the same meaning as in the Bond Ordinance.

1. The Bonds shall be issued in the aggregate principal amount of \$9,155,000. The Bonds delivered on original issuance shall be dated their date of delivery, shall mature on June 1 in each of the following years in the respective principal amount set opposite each such year, and the Bonds maturing in each such year shall bear interest from their date payable semi-annually on June 1 and December 1 of each year commencing June 1, 2015 at the respective rate of interest per annum set forth opposite such year as follows:

<u>Year</u>	<u>Principal Amount (%)</u>	<u>Interest Rate (%)</u>
2016	340,000	3.00
2017	350,000	3.00
2018	360,000	3.00
2019	370,000	4.00
2020	385,000	4.00
2021	400,000	4.00
2022	415,000	4.00
2023	435,000	4.00
2024	450,000	4.00
2025	470,000	4.00
2026	490,000	4.00
2028	1,040,000	4.00
2030	1,120,000	4.00
2032	1,215,000	4.00
2034	1,315,000	4.00

FILED
McLEAN COUNTY, ILLINOIS

NOV 25 2014

Kathy Michael
COUNTY CLERK

2. The Bonds maturing June 1 in the years 2028, 2030, 2032 and 2034 are issued as term bonds subject to mandatory redemption prior to maturity by application of sinking fund installments as follows:

Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

3. The annual tax levies for the Bonds shall be reduced from the amounts set forth in Section 10 of the Bond Ordinance to the amounts contained in the table set forth in the following paragraph:

For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the Town, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose in an amount not to exceed the sums set forth in the following table; and there is hereby levied on all of the taxable property in the Town, in addition to all other taxes, the following direct annual taxes, to-wit:

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2015	\$695,500.00
2016	\$695,500.00
2017	\$694,200.00
2018	\$694,400.00
2019	\$694,000.00

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2020	\$693,000.00
2021	\$696,400.00
2022	\$694,000.00
2023	\$696,000.00
2024	\$697,200.00
2025	\$697,600.00
2026	\$697,200.00
2027	\$696,000.00
2028	\$694,000.00
2029	\$696,200.00
2030	\$697,400.00
2031	\$697,600.00
2032	\$696,800.00

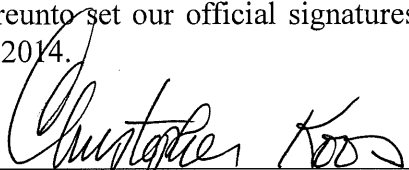
4. \$870,585.83 from cash on hand with the Town shall be deposited into the 2014 General Obligation Bond and Interest Account established by Section 12 of the Bond Ordinance on or before issuance of the Bonds and used to pay principal and interest on the Bonds through and including June 1, 2016.

5. The Bonds are hereby sold and awarded to Mesirow Financial, Inc., Chicago, Illinois ("Purchaser") at a purchase price of \$9,884,840.60 (representing the aggregate principal amount of the Bonds, \$9,155,000.00, plus a net premium of \$784,312.85, less an underwriter's discount of \$54,472.25).

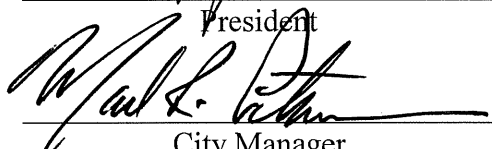
6. The Bonds shall be subject to optional redemption as follows:

The Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

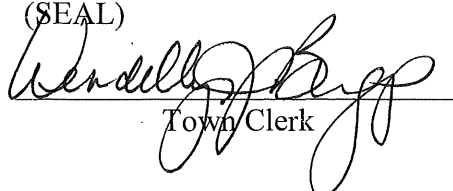
IN WITNESS WHEREOF, we have hereunto set our official signatures and the seal of the Town of Normal, Illinois this November 18, 2014.



 President



 City Manager

(SEAL)


 Town Clerk

STATE OF ILLINOIS)
)
COUNTY OF MCLEAN) SS.

CERTIFICATE OF FILING

I, Wendellyn J. Briggs, do hereby certify that I am the duly qualified and acting Town Clerk of the Town of Normal, Illinois (the “Town”), and as such officer I do hereby certify that on or before this date there has been filed in my office the attached Bond Order approved and executed by the President and City Manager of the Town, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the Town of Normal, Illinois, this November 25, 2014.


Town Clerk

(SEAL)

FILING CERTIFICATE OF COUNTY CLERK

I, the undersigned, do hereby certify I am the County Clerk of the County of McLean, Illinois, and do further certify that the following have been filed in my office on today's date:

- (i) Certified copy of Ordinance No. 5560 of the Town of Normal, Illinois (the "Issuer"), adopted by the Board of Trustees of the Issuer on October 6, 2014, entitled: "AN ORDINANCE authorizing the issuance of General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois, in an amount not to exceed \$10,000,000 for the purpose of financing the costs of the construction of a new fire station and the cost of the Town's contribution to the One Uptown Circle Hotel Development"; and
- (ii) Certificate of Abatement of Tax Levies dated November 24, 2014 for the Town of Normal, Illinois General Obligation Bonds, Series 2014, together with a certified copy of the Bond Order of the Town dated November 18, 2014.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said County, this November 25, 2014.

FILED
MCLEAN COUNTY, ILLINOIS

NOV 25 2014
Kathy Michael

Kathy Michael
County CLERK

The County of McLean, Illinois

(SEAL)

FINAL OFFICIAL STATEMENT

New Issue
Book-Entry Only
Bank Qualified

Fitch Ratings "AAA" (Stable Outlook)
Moody's Investors Service "Aa1" (Stable Outlook)
See "Bond Ratings" herein.

Subject to compliance by the Town with certain covenants, in the opinion of Hart, Southworth and Witsman, Springfield, Illinois ("Bond Counsel"), under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

TOWN OF NORMAL

McLean County, Illinois

\$9,155,000 General Obligation Bonds, Series 2014

Dated: December 4, 2014

Due: June 1, as Shown on Inside Cover

The General Obligation Bonds, Series 2014 (the "Bonds"), of the Town of Normal, McLean County, Illinois (the "Town"), are being issued using a book-entry system. Interest is payable semiannually on June 1 and December 1, commencing June 1, 2015. U.S. Bank National Association, Indianapolis, Indiana, will act as Paying Agent and Bond Registrar for the Bonds. 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 in the principal amount of \$5,000 or any authorized integral multiple thereof.

The Bonds are subject to redemption as detailed under "THE BONDS – Redemption" herein.

Proceeds of the Bonds will be used to provide funds to: (a) finance the costs of the construction of a new fire station and the cost of the Town's contribution to the One Uptown Circle Hotel Development and (b) pay for certain bond issuance costs.

In the opinion of Bond Counsel, the Bonds are valid and legally binding general obligations of the Town and will be secured by the full faith and credit of the Town payable, as to both principal and interest, from ad valorem taxes to be levied on all taxable property within the Town without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bonds are offered when, as and if issued and received by Mesirow Financial, Inc., Chicago, Illinois (the "Underwriter"), subject to the approving legal opinion of Hart, Southworth and Witsman, Springfield, Illinois, Bond Counsel, a form of which is attached as Appendix C. Certain legal matters will be passed on for the Town by its Corporation Counsel, Brian Day, and for the Underwriter by its counsel, Chapman and Cutler LLP, Chicago, Illinois. The Bonds in definitive form are expected to be delivered through the facilities of DTC on or about December 4, 2014.



TOWN OF NORMAL

McLean County, Illinois

\$9,155,000 General Obligation Bonds, Series 2014

MATURITIES

<u>Amount</u>	<u>Maturity (June 1)</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP No.* (Base: 656066)</u>
\$ 340,000	2016	3.00%	0.60%	NC7
350,000	2017	3.00%	0.80%	ND5
360,000	2018	3.00%	1.05%	NE3
370,000	2019	4.00%	1.35%	NF0
385,000	2020	4.00%	1.65%	NG8
400,000	2021	4.00%	1.95%	NH6
415,000	2022	4.00%	2.20%	NJ2
435,000	2023	4.00%	2.35%	NK9
450,000	2024	4.00%	2.47%	NL7
470,000	2025	4.00%	2.62%	NM5
490,000	2026	4.00%	2.77%	NN3

4.00% \$1,040,000 Term Bond due June 1, 2028; Yield: 3.00%; CUSIP No.:* 656066 NQ6

4.00% \$1,120,000 Term Bond due June 1, 2030; Yield: 3.10%; CUSIP No.:* 656066 NS2

4.00% \$1,215,000 Term Bond due June 1, 2032; Yield 3.20%; CUSIP No.:* 656066 NU7

4.00% \$1,315,000 Term Bond due June 1, 2034; Yield 3.30%; CUSIP No.:* 656066 NW3

* CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Financial. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bond.

No dealer, broker, salesman or other person has been authorized by the Town or the Underwriter, to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the Town, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the Town is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the Town or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this 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 Town since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this 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.

Any statements made in this Official Statement, including the Exhibits and 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 Official Statement contains certain forward-looking statements and information that are based on the Town's beliefs as well as assumptions made by and information currently available to the Town. 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 Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

BOND ISSUE SUMMARY

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

Issuer:	Town of Normal, McLean County, Illinois.
Issue:	\$9,155,000 General Obligation Bonds, Series 2014.
Dated Date:	December 4, 2014.
Interest Due:	Each June 1 and December 1, commencing June 1, 2015.
Principal Due:	Due June 1, in the years and amounts shown on the inside cover page hereof.
Purpose:	Proceeds of the Bonds will be used to provide funds to: (a) finance the costs of the construction of a new fire station and the cost of the Town's contribution to the One Uptown Circle Hotel Development and (b) pay for certain bond issuance costs.
Security:	In the opinion of Bond Counsel, the Bonds are valid and legally binding general obligations of the Town and will be secured by the full faith and credit of the Town payable, as to both principal and interest, from ad valorem taxes to be levied on all taxable property within the Town without limitation as to rate or amount.
Redemption:	The Bonds are subject to redemption as detailed under "THE BONDS – Redemption" herein.
Bond Ratings:	Bond ratings on the Bonds have been assigned as follows: Fitch Ratings - "AAA" (Stable Outlook); and Moody's Investors Service - "Aa1" (Stable Outlook).
Paying Agent, Bond Registrar, and Escrow Agent	U.S. Bank National Association, Indianapolis, Indiana.
Legal Opinion:	Hart, Southworth and Witsman, Springfield, Illinois, Bond Counsel, will provide an opinion as to the legality of the Bonds as discussed in the Official Statement.
Bank Qualified:	The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Underwriter:	Mesirow Financial, Inc., Chicago, Illinois.

TOWN OF NORMAL
McLean County, Illinois

11 Uptown Circle
Normal, Illinois 61761
(309) 454-2444

TOWN COUNCIL

Christopher Koos, *Mayor*

Jeff Fritzen
Cheryl Gaines
Kevin McCarthy

Scott Preston
Sonja Reece
Chuck Scott

Mark R. Peterson, *City Manager*

Wendellyn J. Briggs, *Town Clerk*

Andrew Huhn, *Finance Director*

Brian Day
Corporation Counsel
Normal, Illinois

Mesirow Financial, Inc.
Underwriter
Chicago, Illinois

Hart, Southworth and Witsman
Bond Counsel
Springfield, Illinois

Chapman and Cutler LLP
Underwriter's Counsel

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TOWN OF NORMAL
McLean County, Illinois
\$9,155,000 General Obligation Bonds, Series 2014

INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices, is to set forth certain information in conjunction with the sale by the Town of Normal, McLean County, Illinois (the “Town”), of \$9,155,000 aggregate principal amount of its General Obligation Bonds, Series 2014 (the “Bonds”). Factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of any of the Bonds should read the Official Statement in its entirety.

This Official Statement contains “forward-looking statements” that are based upon the Town’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the Town. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the Town nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

THE BONDS

General Description

The Bonds, when issued, will be issued only in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only. The Bonds are issuable in denominations of any authorized integral multiple of \$5,000 in principal amount. Purchasers will not receive physical delivery of Bonds. (See “BOOK-ENTRY SYSTEM” herein.) Principal and interest are payable by U.S. Bank National Association, Indianapolis, Indiana, the Paying Agent, to DTC, which will remit such principal and interest to DTC’s Participants for payment to the Beneficial Owners of the Bonds, as described herein. Interest on the Bonds will be payable semiannually on each June 1 and December 1, commencing June 1, 2015 to the person in whose name such Bond is registered at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the interest payment date. Principal will be payable on June 1, in the years and amounts as detailed on the inside cover page hereof.

Purpose and Authority

Proceeds of the Bonds will be used to provide funds to: (a) finance the costs of the construction of a new fire station and the cost of the Town’s contribution to the One Uptown Circle Hotel Development and (b) pay for certain bond issuance costs.

The Town is a home rule unit of government under the provisions of Section 6(a) of Article VII of the 1970 Illinois Constitution. The Bonds are being issued pursuant to the Town’s home rule powers, the Illinois Municipal Code, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and through a bond ordinance (the “Bond Ordinance”) adopted by the Town Council on October 6, 2014.

Security

The Bonds, in the opinion of Hart, Southworth and Witsman, Springfield, Illinois (“Bond Counsel”), will be valid and legally binding general obligations of the Town and will be secured by the full faith and credit of the Town payable, as to both principal and interest, from ad valorem taxes to be levied on all taxable property within the Town without limitation as to rate or amount.

The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the Town in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of McLean County, Illinois (the “County Clerk”), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance to pay the Bonds.

Reference is made to Appendix C for the proposed form of opinion of Bond Counsel.

Sources and Uses of Funds

In connection with the issuance of the Bonds, the Town anticipates proceeds of the Bonds to be applied as follows:

Sources of Funds:

Par Value of Bonds.....	\$ 9,155,000.00
Premium	<u>784,312.85</u>
Total Sources of Funds	<u>\$ 9,939,312.85</u>

Uses of Funds:

One Uptown Contribution	\$ 5,100,000.00
Fire Station Construction Costs.....	4,723,933.60
Costs of Issuance (Including Underwriter’s Discount)	<u>115,379.25</u>
Total Uses of Funds	<u>\$ 9,939,312.85</u>

Redemption

Optional Redemption. The Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

Mandatory Redemption. The Bonds due on June 1 of the years 2028, 2030, 2032 and 2034 are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Paying Agent, at a redemption price of par plus accrued interest to the redemption date, on June 1 of the years and in the principal amounts as follows:

FOR THE BONDS DUE JUNE 1, 2028

YEAR	PRINCIPAL AMOUNT
2027	\$510,000
2028	530,000 (stated maturity)

FOR THE BONDS DUE JUNE 1, 2030

YEAR	PRINCIPAL AMOUNT
2029	\$550,000
2030	570,000 (stated maturity)

FOR THE BONDS DUE JUNE 1, 2032

YEAR	PRINCIPAL AMOUNT
2031	\$595,000
2032	620,000 (stated maturity)

FOR THE BONDS DUE JUNE 1, 2034

YEAR	PRINCIPAL AMOUNT
2033	\$645,000
2034	670,000 (stated maturity)

Redemption Procedure and Notice of Redemption. The Town shall, at least 45 days prior to a redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of the redemption date and of the principal amount of Bonds to be redeemed, and thereupon the Bond Registrar shall proceed to provide for such mandatory redemption without any further order or direction. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Bond Registrar for the Bonds of such maturity or maturities by such method of selection as the Bond Registrar shall deem fair and appropriate; provided, that such method shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 portion of principal amount of a Bond shall be as likely to be called for redemption as any other such \$5,000 portion.

Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the Town by mailing the redemption notice by first class mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Official notice of redemption having been given, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Town shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners to whom proper notice shall have been given. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Bond Registrar at the

redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal amount.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

Such additional notice and information as may be agreed upon with the Depository shall also be given so long as the Bonds are held by the Depository.

Registration, Transfer and Exchange

The Bonds will be issued in registered book-entry form. Transfers of ownership interests in the Bonds will be accomplished by book entries made by the securities depository for the Bonds. The Depository Trust Company (“DTC”), New York, New York, will act as the securities depository for the Bonds. For more detailed and complete information, see “BOOK-ENTRY SYSTEM” herein.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds 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 Bond certificate will be issued for the Bonds in the aggregate principal amount of such issue and will be deposited with DTC.

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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 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 bond 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 a Standard & Poor’s rating of AA+. 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Bonds 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 Town or the Paying Agent, on the 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, the Paying Agent, or the Town, 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 Town or 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.

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

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

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

The Town will have no responsibility or obligation to any Securities Depository, any Participants in the Book Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that, while the Bonds are in the Book-Entry System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds; however, all rights of ownership must be exercised through DTC and the book-entry system.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Finances of the State of Illinois

The State has experienced adverse economic conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. Budget problems of the State may result in decreased or delayed State appropriations to the Town.

Local Economy

The financial health of the Town is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Town.

Loss or Change of Bond Rating

The Bonds have received credit ratings from Moody's Investors Service, New York, New York ("Moody's"), and Fitch Ratings, Inc. ("Fitch"). The ratings can be changed or withdrawn at any time for

reasons both under and outside the Town's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the Town to comply with the Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine the Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the Town and to the Bonds. The Town can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Town, or the taxing authority of the Town. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the Town, the taxable value of property within the Town, and the ability of the Town to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under "TAX EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Town in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if

enacted, could 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. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the Town's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the Town.

The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for Federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the Town as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Town could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds and the Bond Ordinance will be similarly qualified.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and the facilities financed or refinanced therewith, and certain other matters. The Town has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Town's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Town with respect to certain material facts within the Town's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax exempt interest, including interest on the Bonds

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

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 inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Town complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment which is used in determining the federal alternative minimum tax for certain corporations under the Code; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of 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 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the “Revised Issue Price”), the purchaser will be treated as having purchased a Bond 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 a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond 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 Bond 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 Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

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 referred to above or 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 tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. 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 may treat the Town as a taxpayer and the Bondholders may have no right to participate in such procedure. 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.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt 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 any 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.

Interest on the Bonds is not exempt from present State of 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 state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the Town's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code

CONTINUING DISCLOSURE

The Town will enter into a Continuing Disclosure Certificate and Agreement (the "Undertaking") for the benefit of the registered owners and 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 Undertaking, including termination, amendment and remedies, are set forth below under "THE UNDERTAKING".

There have been no instances in the previous five years in which the Town failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the Town to comply with the Undertaking will not constitute a default under the Bond Ordinance, and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The Town must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report 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.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Town 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 Town.

Annual Financial Information Disclosure

The Town covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. At present, such dissemination is made through the MSRB's Electronic Municipal Market Access system, referred to as EMMA ("EMMA"). The Town is required to deliver such information within 210 days after the last day of the Town's fiscal year (currently March 31). If Audited Financial Statements are not available when the Financial Information is filed, the Town will file unaudited financial statements. MSRB Rule G 32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means financial information and operating data (exclusive of Audited Financial Statements), including (i) information of the type contained in Appendix A to this Official Statement under the subheadings "Equalized Assessed Valuation", "Tax Extensions and Collections" and "Tax Rates Per \$100 of Equalized Assessed Valuation" under the heading "EQUALIZED ASSESSED VALUATION AND TAX INFORMATION"; and (ii) information relating to the direct debt of the Town contained in Appendix A to this Official Statement under the heading "DEBT INFORMATION – Statement of Direct General Obligation Bonded Debt".

"Audited Financial Statements" means the annual financial statements of the Town prepared in accordance with auditing standards generally accepted in the United States.

Reportable Events Disclosure

The Town covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G 32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "Reportable Events" are:

- 1) Principal and interest payment delinquencies;
- 2) Non-payment related defaults, if material;
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties;

- 4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 5) Substitution of credit or liquidity providers, or their failure to perform;
- 6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other Reportable Events affecting the tax status of the security;
- 7) Modifications to the rights of security holders, if material;
- 8) Bond calls, if material, and tender offers;
- 9) Defeasances;
- 10) Release, substitution or sale of property securing repayment of the securities, if material;
- 11) Rating changes;
- 12) Bankruptcy, insolvency, receivership or similar event of the Issuer **;
- 13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- 14) Appointment of a successor or additional trustee or the change of name of a trustee, if material

*** This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.*

Consequences of Failure of the Town to Provide Information

The Town shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

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

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Town by ordinance or resolution authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) (i) The amendment or the waiver 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 Town, or type of business conducted;
- (ii) The Undertaking, as amended, or the provision, as waived, 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
- (b) The amendment or waiver does not materially impair the interests of the registered owners or beneficial owners of the Bonds, as determined by a party unaffiliated with the Town (such as Bond Counsel) at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Town shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Town shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The Town shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Town 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 Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the Town chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the Town shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its Electronic Municipal Market Access (“EMMA”) system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule

The Town 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 Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent is the Town’s Finance Director: Andrew Huhn, 11 Uptown Circle, Normal, Illinois 61761; phone: (309) 454-2444.

BOND RATINGS

Fitch Ratings and Moody’s Investors Service have assigned their municipal bond ratings of “AAA” (Stable Outlook) and “Aa1” (Stable Outlook), respectively, to the Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the respective rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, NY 10004; and Moody’s Investors Service, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007. Generally, a rating agency bases its rating on the information and material furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating(s) will not be revised downward or withdrawn entirely by the rating agency(ies), if in the judgment of such rating agency(ies), circumstances so warrant. Any such downward revision or withdrawal of such rating(s) may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the “Agreement”) between the Town and Mesirow Financial, Inc., Chicago, Illinois (the “Underwriter”), the Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Town at a purchase price of \$9,884,840.60. The

purchase price reflects an underwriter's discount of 0.595% of the par amount of the Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Hart, Southworth and Witsman, Springfield, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the Town. Bond Counsel has reviewed the statements in this Official Statement appearing under the headings "THE BONDS" and "TAX EXEMPTION", and is of the opinion that the statements contained under such headings are accurate statements or summaries of the matters set forth therein insofar as such statements purport to summarize the terms of the Bonds or the Bond Ordinance or the tax-exempt status of the interest on the Bonds. Except for the foregoing, however, Bond Counsel has not independently verified the accuracy or completeness of statements and information contained in this Official Statement and does not assume any responsibility for the accuracy or completeness of such statements and information. Additionally, certain legal matters will be passed on for the Town by its counsel, Brian Day, Esq., Normal, Illinois.

Chapman and Cutler has also been retained by the Underwriter to serve as Underwriter's Counsel with respect to the Bonds. Although as Underwriter's Counsel, Chapman and Cutler has assisted the Underwriter with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Underwriter's Counsel was undertaken solely at the request and for the benefit of the Underwriter, to assist it in discharging its responsibility with respect to the Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the Town taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the Town with the other customary closing papers when the Bonds are delivered.

CERTIFICATION

At the time of original delivery of and payment for the Bonds, the Town, acting through the Mayor, shall deliver a certificate to the effect that this Official Statement and the other data concerning the Town contained herein have been examined and that, to the best of his knowledge and belief, the Official Statement both as of the date of sale and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

TOWN OF NORMAL
McLean County, Illinois

/s/ _____ Christopher Koos
Mayor

Dated: November 18, 2014

APPENDIX A

**TOWN OF NORMAL
McLean County, Illinois**

THE TOWN

General Information

The Town of Normal (the “Town” or “Normal”), located in central Illinois, was incorporated in 1867 and is a home rule unit of government under the Constitution of the State of Illinois (the “Constitution”). The Town encompasses an area of approximately 17 square miles in McLean County, Illinois (the “County”). The Town and its sister community, the City of Bloomington (“Bloomington”), are within a three-hour drive of Chicago, Illinois; St. Louis, Missouri; and Indianapolis, Indiana.

Normal and Bloomington’s designation as two of the fastest growing communities in Illinois is due in large part to the stable economy and exceptional transportation, education and healthcare systems. Employers both large and small have recognized the benefits of these community features and have contributed to the expanding, diverse employment base.

The Town is home to four of the County’s six largest employers. Mitsubishi Motors of North America, Illinois State University, BroMenn Healthcare and McLean County Unit District No. 5 (the “School District”) collectively employ over 7,500 individuals. The local economy is bolstered by the presence of State Farm Insurance Companies’ corporate and regional headquarters, which is located in Bloomington.

Transportation

Interstate System: The Town is one of only a few communities in the United States bounded by three major interstate highway systems. Interstates 39, 55 and 74 offer quality highway travel opportunities to the central Illinois area in addition to Illinois Route 9 and U.S. 150 which intersects the Normal and Bloomington community.

Rail System: The Town is located on the Chicago/St. Louis rail corridor. The advantages of the Chicago/St. Louis rail corridor make the area attractive for land-based transportation. Amtrak has a station in the Town which serves a large population from Illinois State University as well as the Normal and Bloomington business communities commuting to both Chicago and St. Louis. Normal’s passenger rail ridership is considered one of the highest in Illinois. In calendar year 2013, Union Pacific Railroad implemented the first phase of its Chicago-St. Louis high speed rail line between the Town and Pontiac, Illinois. Currently, Union Pacific is constructing high speed rails south of the Town heading to St. Louis.

Central Illinois Regional Airport: The Central Illinois Regional Airport (“CIRA”) is a regional hub for air transportation, offering commuter and jet service to major national destinations and has been identified as one of the nation’s fastest growing airports in recent years. In 2001, CIRA opened its \$14.7 million, 102,300 square foot terminal. American, Delta, Allegiant and Frontier provide non-stop and connecting service through major hubs provide worldwide access to and from the Central Illinois community. Additionally, in May of 2011, CIRA was chosen as the “Primary Airport of the Year” by the Illinois Department of Transportation’s Division of Aeronautics, for its outstanding work in the areas of maintenance, community support and promotion of aviation.

Government and Municipal Services

The Town operates under the Council/Manager form of government. The Town’s legislative authority is vested in a seven-member Board of Trustees (the “Council”) consisting of the President (Mayor) and six Trustees (“Council Members”). Under this system, the Mayor and Council are responsible for enacting local laws, ordinances and resolutions as well as determining overall Town policies. The Mayor and Council are elected at large in nonpartisan elections.

The Council also appoints a City Manager. The City Manager is the chief administrative officer of the Town and is responsible for the daily operation of all city departments. The City Manager oversees the hiring of all Town employees, except fire fighters and police officers, and prepares the agenda for City Council meetings. The City Manager is assisted by 15 department heads, more than 370 full-time employees, and over 300 seasonal or part-time employees.

As a full-service municipality, the Town provides comprehensive public safety services, park and recreation services, waste and street maintenance services, and water and sewer utility services.

Education

Primary and secondary educational needs are provided by the School District, which operates 17 elementary schools, 4 junior high schools and 2 high schools, serving over 13,500 students.

Higher educational opportunities are available at the following institutions:

- ~ *Illinois State University* -- Illinois State University (“ISU”) was founded in 1857. The Town of Normal developed around the ISU, which is located in the central part of the Town, adjacent to the Uptown Business District. ISU had a fall 2014 enrollment of 20,271, which includes 2,259 graduate students and 18,012 undergraduate students. Of the total enrollment, over 3,589 were new freshmen.

A January 2011 report by Kiplinger’s Personal Finance ranked ISU among the nation’s 100 best values in public colleges.

ISU offers a broad selection of both undergraduate and graduate programs. Students can select their courses from among the University’s six colleges and 34 academic departments including the Mennonite College of Nursing and the Katie Insurance School. Undergraduate programs are offered in over 160 fields of study while the Graduate program offers 53 Masters Certificates and Doctoral degree programs.

- ~ *Illinois Wesleyan University* -- Illinois Wesleyan University (“IWU”) is located in Bloomington, Illinois, and is located less than two miles from ISU in Normal. IWU is an independent co-educational undergraduate institution founded in 1850. Fall 2014 enrollment was 1,893.

The U.S. News and World Report has often ranked IWU among the nation’s best buys and has consistently ranked Illinois Wesleyan among the best National Liberal Arts Colleges and Universities in the nation. IWU students are offered a quality education in the College of Liberal Arts’ 42 majors, the College of Fine Arts and the School of Nursing.

- ~ *Heartland Community College* -- Heartland Community College is a fully accredited two year institution founded in 1990. Heartland Community College has learning centers in Lincoln and Pontiac, but the main 220,000 square foot campus facility is located on 160 acres in Normal. The fall 2014 enrollment of students in credit courses was 5,064.

- ~ *Lincoln College* -- Lincoln College, based in Lincoln, Illinois, offers a campus in Normal which presently serves approximately 500 students. Lincoln College is a private residential junior college specializing in Associate in Arts Degrees for the purpose of transferring students on to four year colleges and universities. Baccalaureate Degree programs are available in Liberal Arts and Business Management at the Normal, Illinois campus.

Additionally, within a 60-mile radius of McLean County there are facilities of six other colleges and universities including the University of Illinois in Champaign Urbana, Bradley University in Peoria, Eureka College in Eureka, Millikin University in Decatur, Lincoln Christian College in Lincoln and the University of Illinois at Springfield.

Health Care

Bloomington-Normal supports two accredited, not-for-profit general hospitals.

Advocate BroMenn Medical Center, a 221-bed full-service, not-for-profit hospital located in Normal, is one of the most advanced acute care facilities in central Illinois. The medical center encompasses a wide range of acute, outpatient, rehabilitative and preventative health care services, as well as a state-of-the-art open-heart surgery operating suite.

OSF St. Joseph Medical Center is a 157-bed, comprehensive medical center in Bloomington, Illinois, and part of OSF Healthcare System, founded and operated by The Sisters of the Third Order of St. Francis. OSF St. Joseph offers complete acute inpatient care; a full range of outpatient and rehabilitative services; occupational medicine and health services; cardiac surgery and rehabilitation; wellness, prevention and diagnostic services; a Level II trauma center; and PromptCare, a clinic for minor illnesses and injuries with no appointment needed. National Research Corporation (NRC) recently named OSF St. Joseph Medical Center in Bloomington as one of its 2013/2014 Consumer Choice Award winners for being the “Most Preferred Hospital for Overall Quality and Image” in this region.

Recreational Facilities and Cultural / Community Activities

There are numerous public parks located in the Bloomington-Normal area, offering public and private tennis courts, 9 public golf courses and several public and private swimming pools. There are also several private recreation and exercise clubs including the YMCA and YWCA. The City of Bloomington, in conjunction with the McLean County Zoological Society, maintains the Miller Park Zoo in Bloomington. Constitution Trail, a 24-mile paved scenic pathway along a former railroad right-of-way, is one of Central Illinois’ most unique parks and is a favorite of bikers, joggers, walkers and skiers.

Cultural activities are abundant in the Bloomington-Normal area. ISU and IWU provide extensive programs in the Arts. Braden Auditorium on the ISU campus (3,500 seating capacity) hosts an annual entertainment series featuring international stars and professional artists, as well as a variety of other cultural opportunities. IWU’s McPherson Theater offers a total arts package maintained by the University’s Schools of Music, Drama and Art. ISU hosts Bloomington-Normal and Springfield Symphony concerts and an annual Barbershop Singers competition. Bloomington annually hosts the Illinois Shakespeare Festival and the American Passion Play. The Community Players Theater, as well as summer theater programs sponsored by the Normal and Bloomington Parks and Recreation programs, encourage local talent and involvement. The Twin Cities Ballet Company provides experience for young dancers and ISU and IWU also offer dance classes. Art galleries are maintained at both Universities, as well as the McLean County Arts Association, a not for profit organization which supports fine arts in the County. There are 8 museums in Bloomington-Normal, two of which are maintained by the McLean County Historical Society, the second oldest historical society in Illinois.

The Bloomington Center for the Performing Arts (“BCPA”) continues to be a cornerstone in the performing arts life of Bloomington-Normal. Formerly known as the Scottish Rite Temple, the BCPA has a seating capacity of 1,180 people with orchestra, balcony and box seat levels with a traditional seating plan. Also available on the first level of the Center there is a 1,200 seat formal ballroom. The Center presents an annual visiting artist series of over 40 performances and is also home to over 20 area performing arts ensembles. The BCPA is also home for a variety of local performing arts groups and community activities. More than 400 performances and community events take place here each year.

The U.S. Cellular Coliseum was constructed to expand the entertainment options available to the Bloomington-Normal area. The Coliseum holds up to 8,000 guests for concerts and 5,600 guests for football and hockey. It has 24 private suites, 2 rental group suites and a private club restaurant, as well as a variety of food outlet options. The Coliseum shares its facilities with the adjoining Pepsi Ice Center which offers residents an indoor, year-round sheet of ice. The facility offers residents, the ability to ice skate, play hockey, and curling as well as the ability to watch professional and college hockey matches.

Redevelopment

In 1999, the Town Council embarked on an extensive assessment and planning process for the community's Central Business District which, at the time, was referred to as Downtown Normal. The Town Council elected to hire a planning firm to guide the community through the planning process. The result of this effort was an extensive Downtown Normal Redevelopment Plan, subsequently renamed the Uptown Renewal Plan.

As part of the Uptown Plan, the Town of Normal has embarked on several significant public projects. These projects were aimed to both create and facilitate future economic growth in the region. Certain projects are summarized below:

Children's Discovery Museum

The Children's Discovery Museum was the first new construction project associated with the Uptown Plan. The 34,000 square foot museum opened in 2004 and hosted over 150,000 visitors the first year. In March of 2012, the Museum greeted its one-millionth visitor. Additionally, the Museum was the first children's museum in the Country to achieve LEED Certification (Leadership in Energy and Environmental Design).

Marriott Hotel and Conference Center

In order to fully implement the vision contained in the Uptown Plan, the Town embarked on several public/private partnerships. The largest of these partnerships resulted in the construction and 2009 opening of the Marriott Hotel and Conference Center. The nine-story hotel contains 229 guest rooms as well as a pool, restaurant, fitness center, business center and concierge service. The attached conference center is owned by the Town of Normal and includes over 23,000 square feet of usable space. A 500-space parking deck was also constructed, accommodating all hotel guests, as well as other Uptown patrons. A skywalk provides a climate-controlled walkway between the hotel and the parking deck.

Multimodal Transportation Center

Uptown Station opened in July 2012 and this state of the art 68,000 square foot facility is the center piece of Uptown Normal. It has four floors and a 380 space attached parking deck. It was designed to connect several modes of transportation and serves as the 2nd busiest Amtrak stop in the state after Chicago. It also serves as the Town's City Hall offices, which includes the Mayor and Council Chambers as well as Town Administration, Legal, Clerk, Finance, Human Resources, and Information Technology. The facility has meeting space available for community needs and has a large outdoor plaza of green space and seating to serve as a public commons.

The Uptown Station facility is located close to all Uptown attractions, including the Children's Discovery Museum, the Uptown circle and water feature and multiple areas for dining and recreation. The total project cost was \$45.9 million with the major funding coming from a \$22 million stimulus Federal grant program called TIGER or Transportation Investment Generating Economic Recovery. The remaining funds came from other Federal and State grants as well as local funds. The facility is LEED certified with several energy and water saving devices, a great deal of natural lighting for work spaces and a vegetation covered roof that absorbs stormwater and adds to the building's insulation.

In addition to the completion of Uptown Station, the area continues to grow as high profile student housing units continue to come online as well as a planned mixed use building to include a Hyatt Place hotel, a high-end restaurant and luxury residential housing.

SOCIOECONOMIC INFORMATION

Population, Income, Home Values and Education

The following tables present historical socioeconomic trends for the Bloomington-Normal area compared to the State of Illinois.

Population Trend(1)

	1990	2000	2010	Percent Increase 1990-2010
Town of Normal.....	40,023	45,386	52,497	31.17%
City of Bloomington.....	51,972	64,808	76,610	47.41%
McLean County	129,180	150,433	169,572	31.27%
State of Illinois	11,430,602	12,419,293	12,830,632	12.25%

(1) Source: U.S. Census Bureau.

Median Family Income(1)

	2000	2012(2)	Percent Increase
Town of Normal.....	\$ 60,644	\$ 82,718	36.40%
City of Bloomington.....	61,093	88,901	45.52%
McLean County	61,073	87,033	42.51%
State of Illinois	55,545	69,557	25.23%

(1) Source: U.S. Census Bureau.

(2) Represents data from the 2008-2012 American Community Survey, 5-Year Estimates.

Median Value of Owner-Occupied Homes(1)

	2000	2012(2)	Percent Increase
Town of Normal.....	\$ 120,400	\$ 159,500	32.48%
City of Bloomington.....	116,500	159,800	37.17%
McLean County	114,800	156,600	36.41%
State of Illinois	130,800	190,800	45.87%

(1) Source: U.S. Census Bureau.

(2) Represents data from the 2008-2012 American Community Survey, 5-Year Estimates.

Educational Attainment(1)

	<u>High School Graduates</u>	<u>4 or More Years of College</u>
Town of Normal	95.2%	47.1%
City of Bloomington.....	93.8%	45.4%
McLean County.....	94.2%	41.8%
State of Illinois.....	87.0%	31.1%

(1) Represents data from the 2008-2012 American Community Survey, 5-Year Estimates.

Economic Base

Due to the diverse and stable employment sources, the area is fortunate to be relatively insulated from severe economic swings experienced by many other municipalities. The following constitutes a partial list of the larger employers located in the Bloomington-Normal metropolitan area:

Major Area Employers(1)

<u>Company</u>	<u>Description</u>	<u>No. of Employees</u>
State Farm Insurance Companies.....	Insurance.....	14,765
Illinois State University.....	Education.....	3,289
Country Financial.....	Insurance.....	1,949
The School District.....	Education.....	1,576
Mitsubishi Motor Manufacturing.....	Auto Manufacturing.....	1,251
TekSystems.....	Information Technology Staffing.....	1,131
OSF—St. Joseph Medical Center.....	Medical.....	1,012
McLean County Government.....	Government.....	812
Advocate BroMenn Medical Center.....	Medical.....	791
City of Bloomington.....	Government.....	765
Anderson Financial Network, Inc.....	Financial Services.....	705
Bloomington Public School District 87.....	Education.....	703
Heritage Enterprises.....	Nursing Care and Assisted Living.....	525
Illinois Wesleyan University.....	Education.....	471
Nestle USA.....	Manufacturing.....	450
Growmark, Inc.....	Farm Supplies.....	446
Bridgestone / Firestone.....	Tires.....	435
Town of Normal.....	Government.....	371
Heartland Community College.....	Education.....	308
The Baby Fold.....	Adoption and Foster Care Services.....	277

(1) Sources: Economic Development Council of the Bloomington-Normal Area – 2014 Demographic Profile.

Employment by Occupation(1)

Classification	Town of Normal		McLean County		State of Illinois	
	No.	Percent	No.	Percent	No.	Percent
Management, business, science, and arts occupations.....	11,000	39.7%	36,319	41.2%	2,181,574	35.9%
Service occupations.....	5,928	21.4%	15,271	17.3%	1,028,655	17.0%
Sales and office occupations.....	7,819	28.2%	23,511	26.7%	1,526,612	25.3%
Natural resources, construction, and maintenance occupations.....	950	3.4%	5,307	6.0%	462,090	7.7%
Production, transportation and material moving occupations.....	2,042	7.4%	7,738	8.8%	836,495	13.9%
Total	27,739	100.0%	88,146	100.0%	6,035,426	100.0%

(1) Represents data from the 2008-2012 American Community Survey, 5-Year Estimates.

Employment by Industry(1)

Classification	Town of Normal		McLean County		State of Illinois	
	No.	Percent	No.	Percent	No.	Percent
Agriculture, forestry, fishing, hunting and mining.....	40	0.1%	886	1.0%	63,512	1.1%
Construction.....	879	3.2%	3,807	4.3%	324,722	5.4%
Manufacturing.....	1,582	5.7%	5,816	6.6%	767,822	12.7%
Wholesale Trade.....	340	1.2%	1,499	1.7%	189,003	3.3%
Retail Trade.....	3,355	12.1%	8,889	10.1%	658,236	10.9%
Transportation, warehousing and utilities.....	466	1.7%	2,889	3.3%	352,325	5.8%
Information.....	520	1.9%	1,305	1.5%	130,769	2.2%
Finance, insurance and real estate.....	4,189	15.1%	18,778	21.3%	457,654	7.6%
Professional, scientific management, administrative and waste management.....	2,091	7.5%	7,724	8.8%	668,506	11.1%
Educational, health and social services.....	8,561	30.9%	22,075	25.0%	1,362,901	22.6%
Arts, entertainment, recreation, accommodations and food services.....	4,285	15.4%	8,843	10.0%	532,147	8.8%
Other services.....	1,004	3.6%	3,645	4.1%	292,913	4.9%
Public administration.....	427	1.5%	1,990	2.3%	234,916	3.9%
Total	27,739	100.0%	88,146	100.0%	6,035,426	100.0%

(1) Represents data from the 2008-2012 American Community Survey, 5-Year Estimates.

The following tables show the historical annual average unemployment rates for the Bloomington-Normal Metropolitan Statistical Area (“MSA”) as compared to the State of Illinois as a whole.

Annual Average Unemployment Rates(1)

<u>Year</u>	<u>Bloomington- Normal MSA</u>	<u>State of Illinois</u>
2005.....	4.3%	5.8%
2006.....	3.6%	4.6%
2007.....	4.0%	5.1%
2008.....	5.0%	6.4%
2009.....	7.1%	10.0%
2010.....	7.8%	10.5%
2011.....	7.2%	9.7%
2012.....	7.1%	8.9%
2013.....	7.3%	9.2%
2014 (9 months).....	6.6%	7.6%

(1) Source: Illinois Department of Employment Security.

The Illinois Department of Revenue compiles a Standard Industrial Classification Code Report which provides detailed information regarding the types of business collecting the various taxes connected to the retailing of tangible personal property.

Retail sales for the Town are reported below.

Retail Sales(1)

<u>Calendar Year</u>	<u>Estimated Retail Sales</u>
2005.....	\$ 636,938,900
2006.....	704,769,168
2007.....	745,353,372
2008.....	758,382,778
2009.....	741,355,300
2010.....	763,254,539
2011.....	795,471,757
2012.....	841,291,556
2013.....	863,346,830
2014 (6 months).....	416,860,773

(1) Source: Illinois Department of Revenue.

Sales Tax Receipts shown below represent the Town's historical 1% local government share and the Town's 1.5% home rule share of the State of Illinois Sales Tax Receipts as collected and disbursed by the State of Illinois.

Sales Tax Receipts(1)

<u>Calendar Year</u>	<u>Municipal Tax</u>	<u>Home Rule Tax</u>	<u>Total</u>
2005	\$ 6,369,389	\$ 5,770,025	\$ 12,139,414
2006	7,047,692	6,304,700	13,352,392
2007	7,453,534	6,637,104	14,090,638
2008	7,583,828	6,684,223	14,268,051
2009	7,413,553	6,497,516	13,911,069
2010	7,632,545	7,634,333	15,266,878
2011	7,954,718	8,566,605	16,521,323
2012	8,412,916	8,874,546	17,287,462
2013	8,633,468	9,021,829	17,655,297
2014 (6 months).....	4,168,608	4,287,929	8,456,537

(1) Source: Illinois Department of Revenue.

New Construction

The following table shows the value of building permits for the Town for the last six years.

	<u>New Residential</u>		<u>Other New Construction</u>		<u>Total Value</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>	
2008	178	\$ 13,796,000	47	\$101,015,693	\$114,811,693
2009	312	13,316,800	32	68,599,597	81,916,397
2010	156	12,174,905	13	27,283,476	39,458,381
2011	285	22,267,160	18	14,815,440	37,082,600
2012	183	14,225,595	12	18,475,295	32,700,890
2013	119	11,994,800	11	1,657,337	13,652,137

(1) Source: Town Department of Inspections Annual Report.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and interest on the Bonds has been levied on all taxable real property within the Town. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

Property Assessment

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad

operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Tax Levy and Collection Procedures

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

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 the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for tax year 2012 and thereafter.

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.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is \$5,000.

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 for 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 the 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 (plus the EAV of improvements since such year). 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.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

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.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The Town covenanted in the Bond Ordinance that it will not take any action which would adversely affect the levy, extension, collection and

application of the taxes levied by the Town for payment of principal of and interest on the Bonds. The Town also covenanted that it will comply with all present and future laws concerning the levy, extension and collection of such taxes levied by the Town.

EQUALIZED ASSESSED VALUATION AND TAX INFORMATION

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

	Equalized Assessed Valuation(1)				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential.....	\$ 552,321,353	\$ 557,589,017	\$ 563,420,132	\$ 553,482,864	\$ 552,803,428
Commercial.....	248,781,749	250,924,920	250,944,674	252,262,559	251,106,574
Industrial	11,958,017	11,718,101	13,904,083	13,711,002	13,780,047
Farm	288,713	374,702	561,496	528,738	540,611
Railroad.....	<u>1,416,968</u>	<u>1,535,278</u>	<u>1,619,179</u>	<u>1,700,865</u>	<u>1,772,385</u>
Total	\$ 814,766,800	\$ 822,142,018	\$ 830,449,564	\$ 821,686,028	\$ 820,003,045
Percent Increase ..	3.86%(2)	0.91%	1.01%	(1.06%)	(0.20%)

(1) Source: McLean County Clerk's office.

(2) Percentage based on 2008 EAV of \$784,520,837.

Tax Increment Financing Districts Located Within the Town(1)

LOCATION NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2013 EAV	INCREMENTAL EAV
Uptown TIF(2)	2003	\$12,062,309	\$29,218,597	\$ 17,156,288
Main and I-55 TIF(3)	2008	661,533	661,533	0
Main and Osage TIF(4)	2008	3,057,259	5,442,741	2,385,482
One Normal Plaza TIF(5)	2009	720,317	880,569	160,252
North Normal Warehouse TIF(6)	2013	421,951	421,951	0
		Total Incremental EAV		\$ 19,702,022
		Town's 2013 Rate-Setting EAV		<u>820,003,045</u>
		Total EAV		<u>\$839,705,067</u>

(1) Source: McLean County Clerk's office.

(2) Large scale TIF project that has involved a major Uptown Renewal project and consisted of several commercial facilities, including retail, office, residential and hotels that will serve the needs of the community and the surrounding area. This was a significant public/private partnership that has revitalized the Uptown area into an active, vibrant retail and residential space.

(3) Single property TIF, established to redevelop an old hotel facility.

(4) Significant redevelopment project involving multiple high-end student apartments as well as retail and restaurant facilities.

(5) Redevelopment of multiple vacant properties for a mixed-use commercial purpose.

(6) Redevelopment of a vacant large-scale unfinished warehouse facility.

Tax Extensions and Collections(1)

Levy/Coll. Year	Extensions	Total Collections	
		Amount	Percent
2008/2009.....	\$ 8,882,017	\$ 8,879,765	99.97%
2009/2010.....	9,686,458	9,685,226	99.99%
2010/2011.....	10,000,137	10,000,137	99.98%
2011/2012.....	10,207,776	10,205,444	99.98%
2012/2013.....	10,217,632	10,206,668	99.89%
2013/2014(2).....	11,329,059	11,090,446	97.89%

(1) Source: McLean County Treasurer's Office. Includes Library.

(2) Collections are as of September 18, 2014.

Ten Largest Taxpayers(1)

<u>Taxpayer Name</u>	<u>Description</u>	<u>2013 Equalized Assessed Valuation(2)</u>
Wal-Mart Supercenter.....	Department Store	\$ 7,683,916
Mitsubishi Motors North America	Automobile Manufacturer	7,470,795
Meijer's	Department Store	5,611,180
BroMenn Healthcare	Medical Center	5,265,072
John Q. Hammons Hotels	Hotel.....	4,901,962
College Hills Mall	Shopping Center.....	4,602,364
Snyder Corp.	Commercial Property	4,143,019
Blue Atlantic Normal LLC	Commercial Property	3,996,777
JRH, MRH, LLC	Apartments and Retail Property	3,625,234
Menards, Inc.....	Home Improvement Store	<u>3,620,157</u>
Total		\$ 50,920,476
Total Ten Largest as Percent of Total Town 2013 EAV (\$820,003,045).....		6.21%

(1) Source: McLean County Clerk's office.

(2) Most recent information available. Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some smaller parcels and their valuations may not be included.

Tax Rates Per \$100 of Equalized Assessed Valuation(1)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General	\$ 0.1964	\$ 0.1946	\$ 0.1927	\$ 0.1389	\$ 0.1951
IMRF	0.1488	0.1484	0.1686	0.1886	0.1948
Fire Pension.....	0.1478	0.1541	0.1187	0.1284	0.1631
Police Pension	0.1589	0.1584	0.1621	0.1644	0.1954
Social Security	<u>0.1329</u>	<u>0.1271</u>	<u>0.1328</u>	<u>0.1424</u>	<u>0.1459</u>
Total Town Tax Rate	\$ 0.7848	\$ 0.7826	\$ 0.7749	\$ 0.7627	\$ 0.8943
McLean County	0.9069	0.9167	0.9157	0.9116	0.9037
Normal Township.....	0.1514	0.1581	0.1650	0.1669	0.2230
Normal Road and Bridge.....	0.0823	0.0859	0.0896	0.0907	0.0910
Normal Library	0.3645	0.3951	0.4148	0.4397	0.4465
Bloomington-Normal Water Reclamation.....	0.1648	0.1639	0.1639	0.1640	0.1701
Bloomington-Normal Airport Authority.....	0.0855	0.0986	0.1549	0.1275	0.1274
Community Unit School District No. 5	4.6929	4.7638	4.7345	4.8841	5.0070
Heartland Community College Dist. No. 540....	<u>0.4591</u>	<u>0.4736</u>	<u>0.4758</u>	<u>0.4286</u>	<u>0.5067</u>
Total Representative Tax Rate(2).....	\$ 7.6922	\$ 7.8383	\$ 7.8891	\$ 8.0298	\$ 8.3696

(1) Source: McLean County Clerk's Office.

(2) Based on the largest tax code in the Town.

DEBT INFORMATION

The Town is a home rule unit under the Constitution and, as such, has no general obligation debt limit, is not required to seek referendum approval for the issuance of the Bonds and has no statutory tax rate limitations for any purpose.

Statement of Direct General Obligation Bonded Debt (As of November 18, 2014)

Outstanding General Obligation Bonds(1):

The Bonds (final maturity 6/1/34).....	\$ 9,155,000
Series 2013 (final maturity 12/1/29)	9,105,000
Series 2012 (final maturity 6/1/29)	9,610,000
Series 2010A (final maturity 6/1/40).....	1,855,000
Series 2009A (final maturity 6/1/39).....	5,900,000
Series 2009 (final maturity 6/1/23)	7,420,000
Series 2008 (final maturity 6/1/38)	10,000,000
Series 2007 (final maturity 6/1/36)	23,030,000
Series 2006 (final maturity 6/1/35)	9,600,000
Series 2005 (final maturity 6/1/30)	<u>170,000</u>
Total Direct General Obligation Bonded Debt	\$ 85,845,000

(1) Excludes refunded portions of the Series 2005 Bonds (\$9,155,000). The Escrow Account for these bonds are fully funded with General Obligation Illinois Bonds; therefore, these bonds are considered outstanding and not legally defeased until their call date of June 1, 2015.

Direct General Obligation Bonded Debt Retirement Schedule
(Principal Only)
(As of November 18, 2014)

Due	Outstanding G.O. Bonds Principal(1)	The Bonds	Total	Cumulative	
				Amount	Percent Retired
2015	\$ 1,870,000	\$ 0	\$ 1,870,000	\$ 1,870,000	2.18%
2016	1,625,000	340,000	1,965,000	3,835,000	4.47%
2017	2,085,000	350,000	2,435,000	6,270,000	7.30%
2018	2,065,000	360,000	2,425,000	8,695,000	10.13%
2019	2,435,000	370,000	2,805,000	11,500,000	13.40%
2020	2,815,000	385,000	3,200,000	14,700,000	17.12%
2021	2,880,000	400,000	3,280,000	17,980,000	20.94%
2022	3,045,000	415,000	3,460,000	21,440,000	24.98%
2023	3,285,000	435,000	3,720,000	25,160,000	29.31%
2024	3,095,000	450,000	3,545,000	28,705,000	33.44%
2025	3,170,000	470,000	3,640,000	32,345,000	37.68%
2026	3,275,000	490,000	3,765,000	36,110,000	42.06%
2027	3,375,000	510,000 (2)	3,885,000	39,995,000	46.59%
2028	3,470,000	530,000	4,000,000	43,995,000	51.25%
2029	3,590,000	550,000 (2)	4,140,000	48,135,000	56.07%
2030	2,735,000	570,000	3,305,000	51,440,000	59.92%
2031	3,795,000	595,000 (2)	4,390,000	55,830,000	65.04%
2032	3,940,000	620,000	4,560,000	60,390,000	70.35%
2033	4,105,000	645,000 (2)	4,750,000	65,140,000	75.88%
2034	3,775,000	670,000	4,445,000	69,585,000	81.06%
2035	3,955,000		3,955,000	73,540,000	85.67%
2036	3,550,000		3,550,000	77,090,000	89.80%
2037	2,500,000		2,500,000	79,590,000	92.71%
2038	2,500,000		2,500,000	82,090,000	95.63%
2039	2,805,000		2,805,000	84,895,000	98.89%
2040	950,000		950,000	85,845,000	100.00%
	<u>\$ 76,690,000</u>	<u>\$ 9,155,000</u>	<u>\$ 85,845,000</u>		

- (1) Excludes refunded portions of the Series 2005 Bonds (\$9,155,000). The Escrow Account for these bonds is fully funded with Illinois Bonds; therefore, these bonds are considered outstanding and not legally defeased until their call date of June 1, 2015.
- (2) Mandatory sinking fund payment.

Detailed Overlapping Bonded Indebtedness(1)
(As of October 29, 2014 - Excludes November 1, 2014 Maturities)

Taxing Body	Outstanding Debt(2)	Applicable to Town	
		Percent(3)	Amount
McLean County.....	\$ 6,763,846(4)	22.664%	\$ 1,532,960
Bloomington-Normal Airport Authority.....	14,295,000	31.900%	4,560,068
Normal Community Unit School District 5.....	167,255,000	39.884%	66,707,622
Heartland Community College District 540.....	79,650,000	19.776%	15,751,894
Total Overlapping Debt			\$ 88,552,543

- (1) Source: McLean County Clerk's Office.
- (2) Excludes the following amounts of alternate revenue bonded debt: Bloomington-Normal Airport Authority - \$12,650,000.
- (3) Based on 2013 EAVs, most recent available for this purpose. Amounts are based on actual percentages; percentages shown have been rounded to the nearest thousandth.
- (4) Includes Public Building Commission Bonds, the lease payments on which are a general obligation of the County.

Debt Statement
(As of November 18, 2014)

Total Net Direct General Obligation Bonded Debt	\$ 85,845,000 (1)
Overlapping Indebtedness	<u>88,552,543</u>
Total Net Direct and Overlapping Indebtedness	\$ 174,397,543
Equalized Assessed Valuation (2013).....	\$ 820,003,045
Estimated Full Valuation	\$ 2,460,009,135
Estimated Population	52,986
Net Direct Debt Per Capita.....	\$ 1,620.14
Net Direct and Overlapping Debt Per Capita.....	\$ 3,291.39
Ratio of:	
Net Direct Debt to EAV	10.47%
Net Direct Debt to Estimated Full Valuation	3.49%
Net Direct and Overlapping Debt to EAV	21.27%
Net Direct and Overlapping Debt to Estimated Full Valuation.....	7.09%

(1) Excludes refunded portions of the Series 2005 Bonds (\$9,155,000). The Escrow Account for these bonds is fully funded with General Obligation Illinois Bonds; therefore, these bonds are considered outstanding and not legally defeased until their call date of June 1, 2015. Including the refunded Series 2005 Bonds, the Town's direct debt is \$95,255,000, and the ratio of the Town's debt to EAV is 11.62%.

Future Financing

The Town anticipates issuing up to \$10,000,000 of debt in 2015 for capital improvement projects.

PENSION PLANS

The Town participates in three defined-benefit pension plans to provide post-retirement pension benefits to its employees: (a) the police pension fund, which provides pension benefits for all of the Town's full-time police employees (the "Police Pension Fund"), (b) the firefighters' pension fund, which provides pension benefits for all of the Town's full-time firefighter employees (the "Firefighters' Pension Fund"), and (c) the Town's reserve account with the Illinois Municipal Retirement Fund (the "IMRF"), which provides pension benefits to the Town's other employees not eligible to participate in the Police Pension Fund or the Firefighters' Pension Fund (the "IMRF Pension Fund" and, together with the Police Pension Fund and the Firefighters' Pension Fund, the "Pension Funds"). Certain of the provisions related to these plans are described below. See Note 6 and the required supplementary information disclosures to the Audit, which is attached hereto as APPENDIX B, for additional information regarding the pension plans, including plan descriptions, information on the Town's contributions and employee contributions, the funded status and funding progress of the pensions plans and information regarding the assumptions made and the methods employed by the actuaries in producing actuarial valuations for the pension plans.

The Pension Plans make contribution decisions on the basis of actuarial valuations performed by the separate actuaries of the Pension Plans (individually, an "Actuary," and, collectively, the "Actuaries"). In an actuarial valuation, an Actuary employs certain actuarial methods and assumptions regarding future activity in specific risk areas, including investment return, payroll growth and retiree longevity, to make determinations regarding the future liability for pension benefits and, as a result, to determine the amount that must be contributed in the current year to provide for payment of those benefits in the future.

Actuarial assumptions that vary widely from pension plan experience may have the effect of causing over or under contributions by the Town to the Pension Plans. For information regarding the actuarial assumptions made by the Actuaries in connection with the Pension Plans, see Note 6 to the Audit.

Illinois Municipal Retirement Fund

As described above, the Town participates in the IMRF to provide pension benefits to its regular employees. The IMRF is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. IMRF is established and administered under statutes adopted by the Illinois General Assembly. The Illinois Pension Code sets the benefit provisions of the IMRF, which can only be amended by the Illinois General Assembly.

Each employer participating in the IMRF, including the Town, has an employer reserve account with the IMRF (defined above as the IMRF Pension Fund) separate and distinct from all other participating employers along with a unique employer contribution rate determined by the IMRF Board, as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Pension Plan. Participating employers are not responsible for funding the deficits of other participating employers.

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board of Trustees (the "IMRF Board"). The Town's contribution rate for calendar year 2013 was 13.58% of covered payroll.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at the IMRF's website as follows: http://www.imrf.org/pubs/annual_reports/annual_rpts.htm.

Actuarial Assumptions

As described above, the IMRF Board makes contribution decisions on the basis of the actuarial valuation prepared by the Actuary. The Actuary employs certain actuarial methods and assumptions regarding future activity in specific risk areas, including investment return, payroll growth and retiree longevity, to make determinations regarding the future liability of the IMRF to pay benefits and, as a result, to determine the amount that must be contributed in the current year to provide for payment of those benefits in the future. The assumptions and the methods used by the IMRF comply with the requirements of the Governmental Accounting Standards Board.

The IMRF Board adopts its assumptions after considering the advice of the Actuary. At present, the Actuary uses the following assumptions, among others, in generating the actuarial valuation for the IMRF: (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually.

Actuarial assumptions that vary widely from pension plan experience may have the effect of causing over or under contributions by participating employers to their respective IMRF accounts. To ensure accurate actuarial assumptions, the Actuary conducts an experience study, which is a comparison of the actual experience of the IMRF to the assumptions previously used by the Actuary, every three years and makes recommendations to the IMRF Board with respect to necessary changes to such assumptions.

See Note 6 to the Audit for additional information on the IMRF’s actuarial methods and assumptions.

Funded Status

As of December 31, 2013, the most recent actuarial valuation date, the Town’s IMRF Pension Plan had a funded ratio (“Funded Ratio”) of 82.30% on an actuarial basis, taking into account the Asset Smoothing Method, as described in the footnote to the table below, which corresponds to an unfunded actuarial accrued liability (“UAAL”) of \$13,017,463. The Funded Ratio described herein with respect to the IMRF Pension Plan represent the percentage of the Actuarial Accrued Liability (“AAL”) funded with respect to active and inactive members only. The Town has funded 100% of the AAL with respect to its retirees. The Funded Ratio and UAAL for the Town’s IMRF Pension Plan as of December 31, 2011, through December 31, 2013, were as follows:

CALENDAR DATE (DECEMBER 31)	THE IMRF PENSION PLAN	
	FUNDED RATIO	UAAL
2013	82.30%	\$13,017,463
2012	79.72%	13,981,781
2011	78.79%	13,649,960

Source: The audited financial statements of the Town for the fiscal year ended March 31, 2014.

(1) The Funded Ratio and UAAL for the Town’s IMRF Pension Plan are computed using the actuarial value of assets calculated pursuant to the asset smoothing method (the “Asset Smoothing Method”). The Asset Smoothing Method lessens the immediate impact of market fluctuations on the actuarial value of assets, the UAAL and the Funded Ratio that may otherwise occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an actuarial value of assets that does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the actuarial value of assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

The Town contributed all of its annual pension cost (“APC”), as determined by the IMRF Board, to the IMRF Pension Plan in calendar years 2012 and 2013. The Town anticipates that it will continue to make full contributions to its IMRF Account, which includes an amortization of the UAAL, in the coming years. The Town’s contributions to its IMRF Account for fiscal years 2011 through 2013 were as follows:

CALENDAR YEAR ENDED DECEMBER 31	THE IMRF PENSION PLAN	
	APC	PERCENTAGE CONTRIBUTED
2013	\$2,070,940	100%
2012	1,935,441	100%
2011	1,727,909	99%

Source: The audited financial statements of the Town for the fiscal year ended March 31, 2014.

Please see Note 6 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the Town’s funding policy, the funded status and funding progress of the IMRF Account, and information on the assumptions and methods used by the Actuary.

Police Pension Fund

The Town provides pension benefits to its sworn police personnel through the single-employer, defined-benefit Police Pension Fund. The defined benefit levels and the employee and employer contribution levels are governed by the Pension Code and may only be amended by the General Assembly. As of March 31, 2014, the Police Pension Fund had a membership of 124. Information regarding participation in the Police Pension Fund is set forth in Note 6 to the Audit.

Police Pension Fund members are required to contribute 9.91% of their annual salary to the Police Pension Fund. Beginning on January 1, 2011, the Pension Code provides that the Town must make such contributions necessary to bring the Police Pension Fund to a Funded Ratio of 90% by 2040. This funding level is being achieved by amortizing the UAAL as a level percentage of payroll on a closed basis. As of April 1, 2014, the remaining amortization period was 26 years. Information regarding the actuarial methods and assumptions utilized with respect to the Police Pension fund are set forth in Note 6 to the Audit.

Prior to January 1, 2011, the Town contributed to the Police Pension Fund pursuant to the previous Pension Code provisions which required the Town to contribute annually the amounts necessary to reach a Funded Ratio of 100% by 2033. At the time the Pension Code was amended to require the Town to contribute the amounts necessary to reach a Funded Ratio of 90% by 2040, the Town adopted a new funding policy for the Police Pension Fund pursuant to which the Town adopted the new funding target year of 2040 but retained its former Funded Ratio target of 100%. The Town continues to fund the Police Pension Plan pursuant to this policy

Additionally, the Town annually reviews the actuarial assumptions used to create the contribution. As a result of such reviews, the Town lowered its investment rate of return assumption from 7.5% to 7.0% in 2012 and again to 6.75% in 2013. Such decreases in the investment rate of return had the effect of increasing the Police Pension Fund's Actuarial Accrued Liability and the Town's annual contribution to the Police Pension Fund. The decrease in the investment rate of return had the unanimous support of the Town Council.

The Town presently has no plans to change its funding policy and continues to support the recommendations of its actuaries with respect to its pension plan assumptions.

The Police Pension Fund's Funded Ratio as of April 1, 2014, was 60.66% on an actuarial basis, which corresponds to a UAAL of \$20,810,343. The Funded Ratio and UAAL for the Police Plan as of April 1, 2012, through April 1, 2014, are as follows:

ACTUARIAL VALUATION DATE (APRIL 1)	THE POLICE PENSION FUND	
	FUNDED RATIO	UAAL
2014	60.66%	\$20,810,343
2013	60.24%	20,010,340
2012	62.71%	17,210,556

Source: The Audit.

The Town's contributions to the Police Pension Fund for fiscal years 2012 through 2014 were as follows:

THE POLICE PENSION FUND		
FISCAL YEAR ENDED MARCH 31	APC	PERCENTAGE CONTRIBUTED
2014	\$1,617,132	100.23%
2013	1,302,972	104.86%
2012	1,346,865	99.53%

Source: APC information is from the Audit. Percentage contribution information was provided by the Town. The percentage contributed column reflected in this table compares the contributions made by the Town to the corresponding APC. However, the APC is determined during the fiscal year prior to the fiscal year in which the contribution is made. Therefore, the percentage contributed as shown in this table differs from the percentage contributed shown in the Town's CAFR because the CAFR compares contributions made in the current year to the APC determined during the current fiscal year, though the contributions to be made to fund such APC will not be made until the following fiscal year.

Firefighters' Pension Fund

The Town provides pension benefits to its sworn firefighter personnel through the single-employer, defined-benefit Firefighters' Pension Fund. The defined benefit levels and the employee and employer contribution levels are governed by the Pension Code and may only be amended by the General Assembly. As of March 31, 2014, the Firefighters' Pension Fund had a membership of 102. Information regarding participation in the Firefighters' Pension Fund is set forth in Note 6 to the Audit.

Firefighters' Pension Fund members are required to contribute 9.455% of their annual salary to the Firefighters' Pension Fund. The Pension Code provides that the Town must make such contributions necessary to bring the Firefighters' Pension Fund to a Funded Ratio of 90% by 2040. This funding level is being achieved by amortizing the UAAL as a level percentage of payroll on a closed basis. As of April 1, 2014, the remaining amortization period was 26 years. Information regarding the actuarial methods and assumptions utilized with respect to the Firefighters' Pension fund are set forth in Note 6 to the Audit.

Prior to January 1, 2011, the Town contributed to the Firefighters' Pension Fund pursuant to the previous Pension Code provisions which required the Town to contribute annually the amounts necessary to reach a Funded Ratio of 100% by 2033. At the time the Pension Code was amended to require the Town to contribute the amounts necessary to reach a Funded Ratio of 90% by 2040, the Town adopted a new funding policy for the Firefighters' Pension Fund pursuant to which the Town adopted the new funding target year of 2040 but retained its former Funded Ratio target of 100%. The Town continues to fund the Firefighters' Pension Plan pursuant to this policy

Additionally, the Town annually reviews the actuarial assumptions used to create the contribution. As a result of such reviews, the Town lowered its investment rate of return assumption from 7.5% to 7.0% in 2012 and again to 6.75% in 2013. Such decreases in the investment rate of return had the effect of increasing the Firefighters' Pension Fund's Actuarial Accrued Liability and the Town's annual contribution to the Firefighters' Pension Fund. The decrease in the investment rate of return had the unanimous support of the Town Council.

The Town presently has no plans to change its funding policy and continues to support the recommendations of its actuaries with respect to its pension plan assumptions.

The Firefighters' Pension Fund's Funded Ratio as of April 1, 2014, was 62.40% on an actuarial basis, which corresponds to a UAAL of \$16,936,666. The Funded Ratio and UAAL for the Firefighters' Plan as of April 1, 2012, through April 1, 2014, are as follows:

ACTUARIAL VALUATION DATE (APRIL 1)	THE FIREFIGHTERS' PENSION FUND	
	FUNDED RATIO	UAAL
2014	62.40%	\$16,936,666
2013	62.77%	15,782,490
2012	64.94%	13,739,770

Source: The Audit.

The Town's contributions to the Firefighters' Pension Fund for fiscal years 2012 through 2014 were as follows:

FISCAL YEAR ENDED MARCH 31	THE FIREFIGHTERS' PENSION FUND	
	APC	PERCENTAGE CONTRIBUTED
2014	\$1,351,389	100.28%
2013	1,055,868	101.03%
2012	998,160	99.01%

Source: APC information is from the Audit. Percentage contribution information was provided by the Town. The percentage contributed column reflected in this table compares the contributions made by the Town to the corresponding APC. However, the APC is determined during the fiscal year prior to the fiscal year in which the contribution is made. Therefore, the percentage contributed as shown in this table differs from the percentage contributed shown in the Town's CAFR because the CAFR compares contributions made in the current year to the APC determined during the current fiscal year, though the contributions to be made to fund such APC will not be made until the following fiscal year.

OTHER POST-EMPLOYMENT BENEFITS

In addition to providing the pension benefits described above, the Town provides post-employment healthcare benefits ("OPEB") for retired employees through a single-employer, defined benefit plan (the "OPEB Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the Town and can be amended by the Town through its personnel manual and union contracts. The OPEB benefits consist of continued medical and prescription drug coverage at the active employee rate for all eligible employees in accordance with Illinois law, which creates an implicit subsidy of retiree medical and prescription drug coverage. As of April 1, 2013, the OPEB Plan had a membership of 332. The most recent actuarial valuation for the OPEB Plan was conducted as of April 1, 2013. For additional information regarding the OPEB Plan, see Note 7 to the Audit.

The Town does not currently fund the cost of benefits due under the OPEB Plan in advance of the payment of such expenses. Active employees do not contribute to the OPEB Plan until retirement. Retirees contribute 100% of the blended retiree and/or spouse rate under the age of 55 (50 for police and fire retirees), 50% of the blended retiree rate for retirees age 55 to 64 (50 to 64 for police and fire retirees), and 80% of the blended spouse rate for spouses age 55 to 64 (50 to 64 for police and fire spouses). All retiree and spouse contributions are reduced by actual Medicare premium payments upon attainment of age 65.

The Town funds the OPEB Plan on a pay-as-you-go basis. Pay-as-you-go funding refers to the fact that assets are not accumulated or dedicated to fund these obligations. Instead, the Town contributes the amount necessary to fund its share of the current year costs of providing such benefits. For the fiscal years ended March 31, 2011, March 31, 2012, and March 31, 2013, the Town contributed \$263,159, \$272,261, and \$333,652, respectively. As of the most recent actuarial valuation (April 1, 2013), the Town's actuarial accrued liability was \$36,658,000, all of which was unfunded.

For additional information on the Town's post-employment benefits other than pensions, see Note 7 and the required supplementary information to the Audit.

FINANCIAL INFORMATION

Summary of Financial Results

The financial statements of the Town are audited annually by independent certified public accountants. A summary of these financial statements has been included in this Official Statement based upon the opinion given the authority of those firms as experts in accounting and auditing. This summary does not purport to be complete and reference may be made to the audited financial statements which are available upon request from the Town.

Statement of Net Assets - Governmental Activities
March 31, 2010-2014

	2010	2011	2012	2013	2014
ASSETS:					
Current Assets:					
Cash and Investments	\$ 27,512,342	\$ 30,372,828	\$ 32,380,140	\$ 33,867,938	\$ 34,976,816
Receivables, Net of Allowances	11,186,780	12,861,878	14,515,654	11,782,443	12,055,895
Due from other Governments	5,176,173	5,330,527	6,002,112	6,118,425	5,480,909
Deferred Charges	959,779	960,804	914,787	908,112	1,171,413
Inventories	63,354	54,690	68,704	82,447	84,073
Prepaid Items	69,514	70,908	83,485	125,570	150,807
Total Current Assets	\$ 44,967,942	\$ 49,651,635	\$ 53,964,882	\$ 52,884,935	\$ 53,919,913
Non-Current Assets:					
Receivables, Non-Current	\$ 216,694	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Asset	2,359,018	2,439,714	2,751,126	2,804,599	2,338,789
Total Non-Current Assets	\$ 2,575,712	\$ 2,439,714	\$ 2,751,126	\$ 2,804,599	\$ 2,338,789
Capital Assets:					
Land	\$ 35,384,692	\$ 35,576,366	\$ 35,727,467	\$ 35,689,461	\$ 35,828,030
Construction in Progress	7,238,642	13,126,159	29,328,401	1,336,688	1,497,404
Property and Equipment, Net	34,752,952	57,393,589	55,859,710	85,722,056	84,165,476
Infrastructure, Net	32,773,971	35,019,184	33,533,685	32,824,552	31,038,690
Total Capital Assets	\$110,150,257	\$141,115,298	\$154,449,263	\$155,572,757	\$152,529,600
TOTAL ASSETS	\$157,693,911	\$193,206,647	\$211,165,271	\$211,262,291	\$208,788,302
LIABILITIES:					
Current Liabilities:					
Accounts and Contracts Payable	\$ 2,646,955	\$ 4,468,803	\$ 5,574,342	\$ 4,103,609	\$ 2,558,997
Interest Payable	1,376,864	1,402,199	1,388,758	1,328,488	1,276,031
Accrued Liabilities	1,685,273	1,716,177	802,721	1,212,574	1,141,471
Unearned Revenue	8,264,242	8,178,318	8,808,885	7,616,326	8,510,795
Compensated Absences	1,328,898	1,200,144	1,372,017	1,462,469	1,375,283
G.O. Bond Payable, Current	367,830	915,131	969,432	1,198,282	1,195,296
SSA Bond Payable, Current	85,000	250,000	280,000	320,000	365,000
Total Current Liabilities	\$ 15,755,062	\$ 18,130,772	\$ 19,196,155	\$ 17,241,748	\$ 16,422,873
Non-Current Liabilities:					
Accrued Liabilities	\$ 47,350	\$ 0	\$ 0	\$ 0	\$ 0
Compensated Absences, Non-Current	471,106	475,147	474,972	583,467	592,092
Net Pension Obligation - Illinois Municipal Retirement..	0	0	167,786	171,375	175,041
G.O. Bond Payable	72,625,631	73,503,630	72,672,329	71,725,665	71,663,823
SSA Bond Payable	5,400,000	5,150,000	4,870,000	4,550,000	4,185,000
Other Postemployment Benefits, Due Beyond 1 Year ..	2,400,061	3,425,747	5,310,320	7,175,981	9,388,660
Total Non-Current Liabilities	\$ 80,944,148	\$ 82,554,524	\$ 83,495,407	\$ 84,206,488	\$ 86,004,616
TOTAL LIABILITIES	\$ 96,699,210	\$100,685,296	\$102,691,562	\$101,448,236	\$102,427,489
NET ASSETS:					
Invested in Capital Assets,					
Net of Related Debt	\$ 42,108,859	\$ 73,440,059	\$ 85,153,798	\$ 83,885,157	\$ 78,221,943
Restricted	7,839,461	7,104,521	10,306,135	8,080,907	9,102,259
Unrestricted	11,046,381	11,976,771	13,013,776	17,847,991	19,036,611
TOTAL NET ASSETS	\$ 60,994,701	\$ 92,521,351	\$108,473,709	\$109,814,055	\$106,360,813

(1) Source: The Town's Comprehensive Annual Financial Reports for the fiscal years ended March 31, 2010-2014.

Statement of Revenues and Expenditures and Changes in Fund Balance(1)

General Fund

For the Fiscal Years Ending March 31

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES:					
Taxes	\$21,613,697	\$24,528,921	\$25,679,625	\$26,465,455	\$26,218,381
Licenses and Permits.....	808,549	735,334	690,217	663,707	691,003
Intergovernmental	12,404,655	13,110,432	13,412,220	14,418,188	14,830,890
Charges for Services	6,922,618	7,384,221	8,049,052	8,366,960	8,853,481
Fines and Fees	2,047,053	2,212,900	1,984,195	1,806,754	1,994,749
Investment Income	84,632	77,388	50,786	56,690	66,785
Miscellaneous.....	<u>2,036,104</u>	<u>2,046,146</u>	<u>2,164,932</u>	<u>2,618,711</u>	<u>2,417,654</u>
Total Revenues	<u>\$45,917,308</u>	<u>\$50,095,342</u>	<u>\$52,031,027</u>	<u>\$54,396,465</u>	<u>\$55,072,943</u>
EXPENDITURES:					
Current Operating:					
General Government	\$ 5,958,154	\$ 6,308,231	\$ 7,163,900	\$ 7,887,855	\$ 8,516,399
Public Safety	18,288,085	19,031,377	19,085,344	19,247,936	21,106,397
Highways and Streets	4,710,588	4,360,009	4,193,462	4,860,022	5,462,490
Sanitation.....	1,599,855	1,903,112	2,395,238	3,633,978	2,666,584
Cultural and Recreation.....	7,113,252	7,246,968	7,931,079	7,977,803	8,817,795
Community Development	<u>3,462,695</u>	<u>3,392,472</u>	<u>3,171,917</u>	<u>3,184,984</u>	<u>3,644,279</u>
Total Expenditures	<u>\$41,132,629</u>	<u>\$42,242,169</u>	<u>\$43,940,940</u>	<u>\$46,792,578</u>	<u>\$50,213,944</u>
Revenues Over (Under) Expenditures...	<u>\$ 4,784,679</u>	<u>\$ 7,853,173</u>	<u>\$ 8,090,087</u>	<u>\$ 7,603,887</u>	<u>\$ 4,858,999</u>
Other Financing Sources (Uses):					
Transfers From Other Funds	\$ 683,482	\$ 401,124	\$ 60,958	\$ 56,899	\$ 1,093
Transfers To Other Funds(3).....	(5,791,229)	(4,436,796)	(4,497,989)	(4,328,070)	(6,042,891)
Other.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>413,097</u>	<u>0</u>
Total Other Financing Sources (Uses) ..	<u>\$(5,107,747)</u>	<u>\$(4,035,672)</u>	<u>\$(4,437,031)</u>	<u>\$(3,858,074)</u>	<u>\$(6,041,798)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	\$ (323,068)	\$ 3,817,501	\$ 3,653,056	\$ 3,745,813	\$(1,182,799)
Fund Balance at Beginning of Year	12,974,706	12,651,638	16,469,139	22,818,020	26,563,833
Prior Period Adjustment.....	<u>0</u>	<u>0</u>	<u>2,695,825</u> ⁽²⁾	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$12,651,638</u>	<u>\$16,469,139</u>	<u>\$22,818,020</u>	<u>\$26,563,833</u>	<u>\$25,381,034</u>

(1) Source: Town of Normal Audited Financial Statements for the Fiscal Years Ending March 31, 2010-2014.

(2) Adjustment for implementation of GASB 54. Under GASB 54, the Debt Service and Project Reserve Fund, previously reported as a Special Revenue Fund, no longer qualifies to be defined as a Special Revenue Fund. Thereby, the Town has discontinued reporting it as a Special Revenue Fund and, instead, is reporting the revenues in the General Fund.

(3) Includes transfers to Non-major Governmental Funds and the Parking Deck Fund. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

**General Fund Revenue Sources
Fiscal Year Ending March 31, 2014**

	FY 2014 Amount	Percent of Total	Increase (Decrease) From FY 2013
Revenues:			
Taxes	\$ 26,218,381	47.61%	\$(247,074)
Licenses and Permits	691,003	1.25%	27,296
Intergovernmental	14,830,890	26.93%	412,702
Charges for Services	8,853,481	16.08%	486,521
Fines and Fees	1,994,749	3.62%	187,995
Investment Income	66,785	0.12%	10,095
Miscellaneous	2,417,654	4.39%	(201,057)
Total Revenues	\$ 55,072,943	100.00%	\$ 676,478

(1) Source: Town of Normal Audited Financial Statements.

**Summary of Budgeted Appropriations - General Fund
Fiscal Year Ending March 31, 2015**

	2015
Revenues:	
Taxes	\$ 28,020,700
Licenses and Permits	670,900
Intergovernmental	15,280,052
Charges for Services	8,353,343
Fines and Fees	1,825,800
Investment Income	49,510
Miscellaneous	2,183,465
Total Revenues.....	\$ 56,383,770
Expenditures:	
General Government	\$ 12,722,888
Public Safety	19,428,552
Highways and Streets	6,297,849
Cultural and Recreation	8,565,897
Total Expenditures	\$ 47,015,186
Revenues Over (Under) Expenditures	\$ 9,368,584
Net Transfers	(9,347,870)
Surplus	\$ 20,705

APPENDIX B

Town of Normal
McLean County, Illinois

Financial Statements
Year Ended March 31, 2014

Town of



Normal

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
APRIL 1, 2013 TO MARCH 31, 2014**

*Prepared by:
Town of Normal Finance Department
11 Uptown Circle • Normal, Illinois 61761*

www.normal.org

TOWN OF NORMAL, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year
April 1, 2013 to March 31, 2014

Prepared by:

Town of Normal
Finance Department
www.normal.org

TOWN OF NORMAL, ILLINOIS

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TOWN OF NORMAL, ILLINOIS

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TOWN OF NORMAL, ILLINOIS

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TOWN OF NORMAL, ILLINOIS
www.normal.org

A Home Rule City
Council/Manager - Form of Government

CITY COUNCIL

Mayor, Christopher C. Koos

COUNCIL MEMBERS

Sonja Reece	Kevin McCarthy
Cheryl Gaines	Jeffrey Fritzen
Scott Preston	Chuck Scott

CITY MANAGER

Mark R. Peterson

DEPUTY CITY MANAGER

Pamela S. Reece

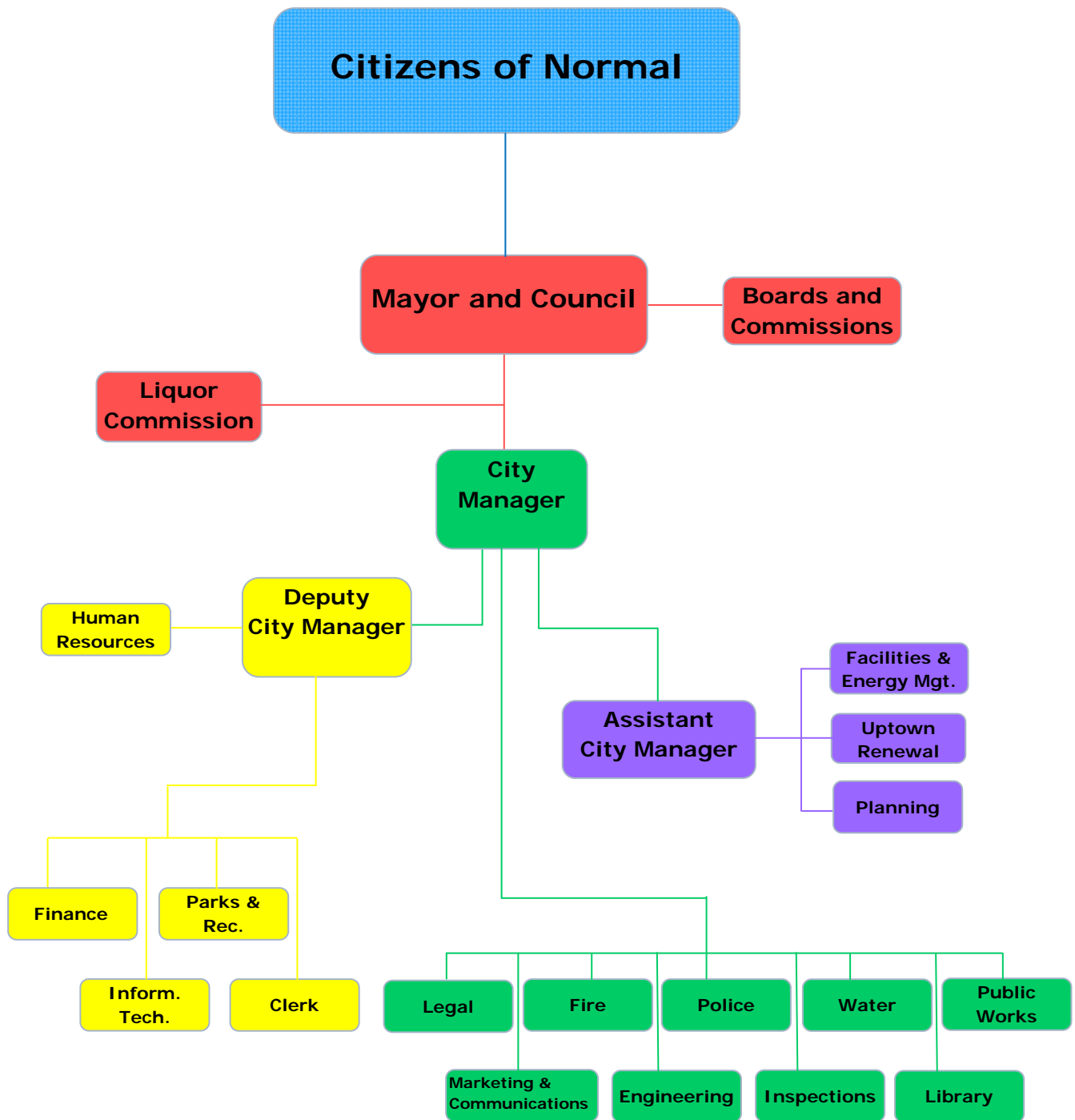
ASSISTANT CITY MANAGER

Sally Heffernan

DEPARTMENT DIRECTORS

Building and Safety	Greg Troemel
Engineering	Gene Brown
Corporation Counsel	Brian Day
Finance	Andrew Huhn
Fire	Michael Humer
Information Technology	Teri Legner
Library	Brian Chase
Parks & Recreation	Garry Little
Police	Richard Bleichner
Public Works	Wayne Aldrich
Town Clerk	Wendellyn Briggs
Water	Steven Gerdes
Facilities Management	Mark Clinch

Town of Normal Organization Chart January 2014





August 20, 2014

Honorable Mayor and Town Council
Town of Normal
Normal, Illinois

Dear Council Members:

The Comprehensive Annual Financial Report of the Town of Normal for the fiscal year ending March 31, 2014, is submitted herewith. This report is a comprehensive and detailed picture of the Town's financial transactions during the 2013-14 fiscal year and the financial condition of the various funds as of March 31, 2014. This report was prepared by the Town's Finance Department. Responsibility for both the accuracy of the presented data and the fairness of the presentation, including all disclosures, rests with the Town. The organization and content of this report follows the standards for annual financial reporting promulgated by the Governmental Accounting Standards Board (GASB). We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the Town's financial position and results of operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Town's financial condition have been included.

The Town's management has established a system of internal controls that is designed to help assure that the assets of the Town are safeguarded against loss, theft, or misuse. The system of internal controls also helps assure that the accounting system compiles reliable financial data for the preparation of the Town's financial statements. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that evaluation of the costs and benefits require estimates and judgments by management.

The Town of Normal financial statements have been audited by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended March 31, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended March 31, 2014, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Report is divided into three main sections:

- Introduction:** Provides an overview of the Town's operations. This section also discusses fiscal trends and gives some basic financial information.
- Financial:** The financial statements of the Town in accordance with requirements established by the GASB for the year ended March 31, 2014.
- Statistical:** Ten-year trend information and other vital facts about the Town of Normal.

THE ACCOUNTING SYSTEM, BUDGETING & LONG-TERM PLANNING

Accounting System: The accounts of the Town are organized on a basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Town's accounting records are generally maintained on the modified accrual basis of accounting. Under this basis, revenues are recorded when measurable and available to liquidate obligations of the current period and expenditures are recorded when a liability is incurred that is expected to draw upon current financial resources. The modified accrual accounting records are the basis for assessing budgetary compliance. In order to comply with generally accepted accounting standards, the Town will make certain adjustments to its annual financial statements to permit the preparation of certain statements on the accrual basis. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Budgeting Process: The Town's budget development process starts in July with the distribution of the annual budget calendar, instructions and forms to department heads. Department heads must submit their budget requests to the Finance Department in September. During October, the Budget Committee, consisting of the City Manager, Deputy City Manager, Assistant to the City Manager, Finance Director and Finance Manager meet with each department head to review their budget requests. In November and December the budget is balanced and compiled for a review by Council and Town management. This review is performed at a Council work session during January and is open to the public. The budget is finalized in February and the Council adopts the budget in March.

Budget Authority and Control: The Town adopts a legally binding annual budget in accordance with Chapter 65 of the Illinois Compiled Statutes. State law requires that a municipality operating under the budget system adopt its annual budget prior to the start of its fiscal year. Through the budget, spending authority is conveyed by expenditure object. Budgetary control is maintained by the use of encumbrance accounting under which purchase orders, contracts, and other commitments are effectively recorded as temporary expenditures in order to reserve the proper portion of the applicable budgetary account. The legal level of budgetary control is the department level or, where no departmental segregation of a fund exists, the fund level.

Long-term Financial Planning: Financial planning is a component of various activities described below:

Community Investment Plan (CIP)

The Community Investment Plan is a planning document that is intended to assist the Town Council in their prioritization of major capital investments that are projected to take place over a six-year period. The CIP includes detailed information on each planned capital expenditure that the Town has projected over a six-year period, including the current fiscal year. The information contained in this document assists the Town Council in their future decision-making responsibilities, and also serves as a valuable resource for the private sector as well as the general citizenry of Normal. The entire document can be found on the Town's web-site (www.normal.org).

The CIP is prepared annually by Town staff and is presented to the Town Council for review, comment and approval in November of each year. For each project, staff lists the currently approved project timeline and cost, as well as any proposed changes for Council consideration. Each project sheet also includes a narrative description, projected operating budget impact and a staff priority rating. Priority 1 (critical) is assigned to projects that are believed to be critical or a top priority, priority 2 (important) identifies projects that should be completed with little deviation from the proposed year and finally, priority 3 (flexible) indicates that the project could be moved to a different year with little or no consequence.

5-Year Budget

Staff produces a 5-year budget annually. Council will only approve the first (next) fiscal year for spending authority. The remaining 4 years are presented for long-term planning purposes.

Financial Trend and Condition Report

This document is presented to Council during the same meeting in which the audited Comprehensive Annual Financial Report is presented. It is intended to provide a historical perspective on a variety of issues that impact the financial condition of the Town. This report provides a glimpse into the financial stability of the Town, with particular emphasis on the General Fund. It is also intended to be used as a basis upon which future financial planning occurs.

Fiscal Policies: listed below are some of the significant fiscal policies listed in the annually adopted budget:

- The Town will estimate revenues five years into the future with each annual budget.
- Expenditures budgeted will not endanger basic fund balances required to support services on an on-going basis.
- Operating expenditures will not be funded from non-recurring revenue sources.
- Long-term debt should be retired prior to the useful life of the project it funded, but not to exceed 35 years.
- The General Fund property tax levy will remain flat or decrease if possible.
- A reserve fund balance in the General Fund will be maintained at 10% of expenditures or greater.

PROFILE OF THE TOWN OF NORMAL

Normal University, later renamed as Illinois State University, was founded and opened classes in 1857 in what was then known as North Bloomington. Steps were taken in 1865 to organize the Town under the name "Normal." The legislature of the State of Illinois granted a special Town Charter to Normal, Illinois.

The Secretary of State certified the Charter on the 4th day of March, 1867. Normal's ordinances were codified in 1969 and those ordinances are now known as the Municipal Code of the Town of Normal, Illinois, 1969, as amended. The Town of Normal operates under its original Charter to this day, subject only to legislative changes that are enacted from time to time.

The Town of Normal is located in McLean County, in the heart of Central Illinois. Normal is approximately 125 miles southwest of Chicago, 155 miles northeast of St. Louis and 64 miles northeast of the State Capital in Springfield. The Town's population of 52,497 was confirmed during the annual 2010 census. The City of Bloomington has a population of 76,610.

Interstates 74, 55, and 39 intersect in Bloomington-Normal as well as U.S. Routes 51 and 150 and State Route 9. In addition, three major railroad lines, as well as AMTRAK, converge in Bloomington-Normal. The Bloomington-Normal airport handles commercial, commuter corporate and private aircraft servicing the surrounding area. Normal is located in one of the most productive agricultural areas in the nation, but the economy is diverse and well balanced. In addition to the major manufacturers such as Mitsubishi and industries like State Farm and Country Financial, there are two universities (Illinois State and Illinois Wesleyan), two community colleges (Heartland and Lincoln) and two hospitals (Advocate BroMenn and OSF St. Joseph) located in Bloomington-Normal.

The Town operates under a Council-Manager form of government and provides a full range of services, including public safety, planning and zoning, highway and streets, parks and recreation, water and sewer and general government functions. For financial reporting purposes, the Town includes all funds, account groups, agencies, boards, commissions and authorities for which the Town is considered to be financially accountable. Based on these criteria, the Normal Public Library will be included in the financial statements as a discretely presented component unit.

SIGNIFICANT LOCAL ECONOMIC EVENT

The Town has been involved in a variety of projects throughout the year with the most significant project being the completion of Uptown Station.

A more significant development that has broken ground is the construction of a 114 room Hyatt Place Hotel in Uptown Normal (phase I). This is a \$25 million project, of which the Town is providing financial assistance of \$5.1 million. Phase II of this development includes a high-end restaurant and luxury residential housing connected to the Hyatt hotel. Additionally, construction has started on a high end art gallery in space designed for retail within the Uptown Station parking deck.

LOCAL ECONOMY

Like all municipalities in the State of Illinois and across the country, the Town of Normal continues to see improvements in the economy. Below are a few indicators that the Town monitors as part of our continual review of the economic environment.

Unemployment Rate: The Town has enjoyed historically low unemployment rates as compared to both national and state levels, as well as low rates in comparison to other central Illinois cities. The Town's unemployment rate as of March 2014 (fiscal year end) equaled 7.0%. As of March 2014, the unemployment rate for the State of Illinois was 8.3%.

Assessed Value: In calendar year 2013, the Town's assessed value had a very slight decrease from the prior year. This was expected, as decreases in the housing market (due to the 2008 recession) translated into lower assessed values on the tax rolls. Assessed values are always last to feel the effects of a recession and the last to recover. This decrease was consistent with other municipalities across Illinois and was not as significant as most.

In relation to this indicator, the Town's single family housing permits increased 31% from the prior year. Foreclosures (Countywide) have dropped significantly since the peak in 2010 and home sales (Bloomington/Normal) have increased from 2,459 in 2012 to 2,812 in 2013. All of these indicators give the Town optimism regarding the future direction of the Town's assessed value.

Sales and Income Tax Revenue: Income tax has been rapidly recovering since the 2008 recession and increased 8% over last fiscal year. Sales tax has also recovered since the 2008 recession, but had a slight decrease this year (1.2%) due to some workforce changes with a major employer (which have stabilized) and a very cold winter that kept consumers out of retail centers for several months.

Certificate of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Normal, Illinois, for its comprehensive annual financial report for the fiscal year ending March 31, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial

reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only a period of one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certification.

Acknowledgments: We wish to express our appreciation to the staff of the Finance Department for their assistance in the preparation of this report. We also wish to express our appreciation to the members of the Town Council, various boards, commissions and staff for their interest and support in conducting the financial operations of the Town in a sound and progressive manner.

Respectively submitted,



Andrew J. Huhn
Director of Finance



Mark R. Peterson
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Normal
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2013

Executive Director/CEO



CliftonLarsonAllen

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Town Council
Town of Normal, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Normal, Illinois (the "Town") as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Children's Discovery Museum Foundation discretely presented component unit which represents 8%, 16%, and 6% of the assets, net position, and revenues, respectively, of the component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Children's Discovery Museum Foundation discretely presented component unit, is based solely on the report of the 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 financial statements are free from material misstatement. The financial statements of the Children's Discovery Museum Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the Library, a discretely presented component unit, the Children's Discovery Museum Foundation, a discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Normal as of March 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and schedules of funding progress, employer contributions, and budgetary comparison information on pages 16-26 and 94-103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Normal's basic financial statements. The combining and individual fund financial statements and schedules, the introductory section, and the statistical schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements and schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2014, on our consideration of the Town of Normal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Champaign, Illinois
August 20, 2014

TOWN OF NORMAL, ILLINOIS

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

March 31, 2014

As the management of the Town of Normal (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended March 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which may be found on pages 6 through 11 of this report.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The Town's financial statements present two kinds of statements, each with a different snapshot of the finances. The focus of the financial statement is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Town's accountability.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the Town's assets, liabilities, and deferred inflows of resources with the differences between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental 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 governmental activities of the Town include general government, public safety, highways and streets, health and welfare, culture and recreations, sanitation and community development. The business-type activities of the Town include the water and sewer systems as well as stormwater management.

The government-wide financial statements include not only the Town itself (known as the primary government), but also the Normal Public Library (the "Library"), and the Children's Discovery Museum Foundation. The Town is financially accountable for the Library, and the Children's Discovery Museum Foundation, but each have a separate governing Board. Because the Library, and the Children's Discovery Museum Foundation are component units, their financial information is reported separately from the financial information of the Town.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

The government-wide financial statements can be found on pages 27 through 30 of this report.

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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.

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 revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund which is considered to be “major” fund. Data from the other 20 governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 31 through 34 of this report.

Proprietary Funds: The Town maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations as well as the storm water activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town’s various functions. The Town uses internal service funds to account for the costs of health insurance. Because the Town’s costs for these items relate primarily to governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Storm Water Management Funds, which are considered to be major funds of the Town. Conversely, the internal service fund is a single fund presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 35 through 38 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town maintains two fiduciary funds, the Police Pension and the Firefighters' Pension Funds.

The basic fiduciary fund financial statements can be found on pages 39 through 40 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 on pages 41 through 92 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide benefits to its employees and budget to actual information for the General Fund and major Special Revenue Funds. Required supplementary information can be found on pages 94 through 103 of this report.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The combining statements referred to earlier in connection with non-major governmental funds, and the internal service fund is presented immediately following the required supplementary information on pensions and budget to actual information. Combining and individual fund statements and schedules can be found on pages 104 through 122 of this report.

Financial Analysis of the Town as a Whole

**Table 1
Government-Wide Statements
Net Position**

The following table reflects the condensed Statement of Net Position.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current & Other Assets	\$55,087,289	\$55,689,534	\$16,565,404	\$14,148,945	\$71,652,693	\$69,838,479
Capital Assets	152,529,600	155,572,757	36,026,824	34,218,586	188,556,424	189,791,343
Deferred Outflows	1,171,413	-	-	-	1,171,413	-
Total Assets & Deferred Outflows	208,788,302	211,262,291	52,592,228	48,367,531	261,380,530	259,629,822
Current Liabilities	8,612,740	17,241,748	2,040,887	1,762,647	10,653,627	19,004,395
Long-Term Liabilities	86,004,616	84,206,488	10,250,775	9,691,526	96,255,391	93,898,014
Deferred Inflows	7,810,133	-	-	-	7,810,133	-
Total Liabilities & Deferred Inflows	102,427,489	101,448,236	12,291,662	11,454,173	114,719,151	112,902,409
Net Position:						
Net Investment in						
Capital Assets	78,221,943	83,885,157	27,050,837	25,113,044	105,272,780	108,998,201
Restricted	9,102,259	8,080,907	424,084	404,346	9,526,343	8,485,253
Unrestricted	19,036,611	17,847,991	12,825,645	11,395,968	31,862,256	29,243,959
Total Net Position	106,360,813	\$109,814,055	\$40,300,566	\$36,913,358	146,661,379	\$146,727,413

The Town's combined net position decreased from \$146,727,413 to \$146,661,379 during FY2013-14. Of this \$66,033 decrease, (\$3,453,241) is attributable to governmental activities and \$3,387,208 is related to business-type activities. Current and other assets for the Governmental Activities decreased \$602,244 in FY2013-14. Governmental capital assets decreased by \$3,043,157 from last year, for a total FY 14 balance of \$152,529,600. This change is primarily attributed to depreciation of Town assets. Under governmental activities, long-term liabilities increased \$1,798,128 in FY2013-14. Net position of the business-type activities increased by \$3,387,208 due primarily to the continuing strong financial performance of the water operations.

For more detailed information, see the Statement of Net Position on page 27.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Activities

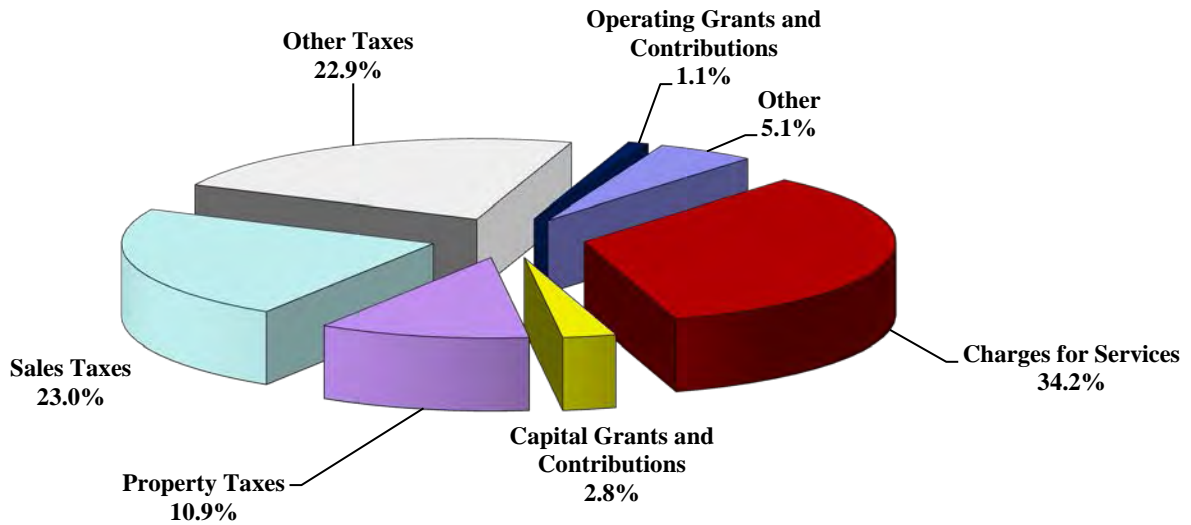
The following table summarizes the revenue and expenses of the Town's activities.

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues:						
Charges for Svcs.	\$ 11,350,636	\$ 11,133,460	\$ 14,476,683	\$ 14,067,091	\$ 25,827,319	\$ 25,200,551
Operating Grants and Contributions	803,190	445,459	-	-	803,190	445,459
Capital Grants and Contributions	2,098,261	6,770,979	-	-	2,098,261	6,770,979
General Revenues:						
Property Taxes	8,263,884	8,287,779	-	-	8,263,884	8,287,779
Other Taxes	34,753,764	34,410,406	-	-	34,753,764	34,410,406
Other	3,358,704	3,324,484	511,173	459,515	3,869,877	3,783,999
Total Revenues	60,628,439	64,372,567	14,987,856	14,526,606	75,616,295	78,899,173
EXPENSES						
General Government	9,983,570	8,499,491	-	-	9,983,570	8,499,491
Public Safety	21,946,719	19,956,493	-	-	21,946,719	19,956,493
Highways and Streets	8,050,545	3,949,587	-	-	8,050,545	3,949,587
Sanitation	2,579,053	2,466,073	-	-	2,579,053	2,466,073
Culture and Recreation	10,685,144	9,943,768	-	-	10,685,144	9,943,768
Community Development	6,340,048	14,378,512	-	-	6,340,048	14,378,512
Water	-	-	7,121,884	7,852,461	7,121,884	7,852,461
Sewer	-	-	2,484,103	2,618,653	2,484,103	2,618,653
Stormwater Management	-	-	1,994,661	1,467,640	1,994,661	1,467,640
Interest on Long-Term Debt	3,588,490	3,838,297	-	-	3,588,490	3,838,297
Total Expenses	63,173,569	63,032,221	11,600,648	11,938,754	74,774,217	74,970,975
Excess Before Special Items, Transfers and Capital Contributions						
	(2,545,130)	1,340,346	3,387,208	2,587,852	842,078	3,928,198
Sale of Land	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Change in Net Positions	(2,545,130)	1,340,346	3,387,208	2,587,852	842,078	3,928,198
Net Positions,						
Beginning of Year, restated	108,905,943	108,473,709	36,913,358	34,325,506	145,819,301	142,799,215
Net Positions,						
End of Year	\$ 106,360,813	\$ 109,814,055	\$ 40,300,566	\$ 36,913,358	\$ 146,661,379	\$ 146,727,413

**TOWN OF NORMAL ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

REVENUES



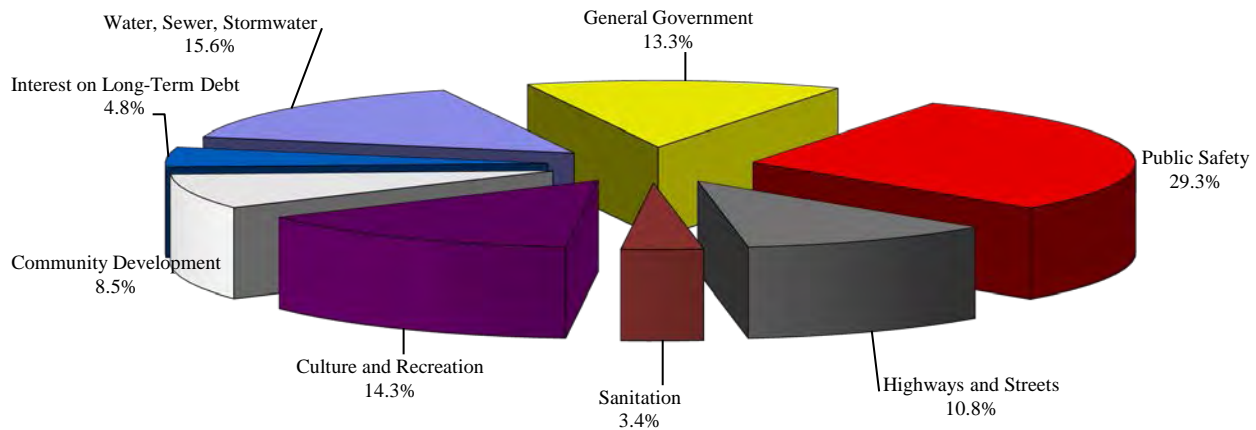
For the fiscal year ended March 31, 2014, revenues totaled \$75,616,295. The Town benefits from a diversified revenue base. The largest category of revenue for the Town is “Charges for Services”. This category includes water, sewer and storm water fee revenue of \$14,476,683, as well as refuse collection and various parks and recreation program fees. The Town’s largest single source of revenue is sales tax (1% municipal and 1.50% local), and totaled \$17,409,756 for the fiscal year. Property taxes support the Town’s contribution to the Police Pension Fund and the Firefighters’ Pension Fund as well as a small portion for General Fund operations.

The “other taxes” classification includes a number of different revenue sources. Among those are income and utility taxes.

State-shared sales taxes and home-rule taxes are recorded in the General Fund. The combined state and local sales tax decreased 1.2% in FY 2013-14 due to some workforce changes by a major employer (which has stabilized) and a very cold winter that kept consumers away from retail centers. Income taxes are also shared by the state, but on a per-capita basis increased 8.5% in FY2013-14. This increase is also due to an improving economy.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

EXPENSES



Normal's expenses totaled \$74.8 million in FY 2013-14. The Police and Fire Departments accounted for the largest share of the total public safety expenses and are reflective of the Town's commitment to safety for its residents, as well as, those visiting the community. A smaller component of public safety expense would include the Town of Normal Inspections Department.

The water, sewer, and stormwater management component reflects the cost of providing these services to Normal residents. A separate governmental agency is charged with the responsibility of processing sanitary sewer. Highways and street costs include maintenance as well as services such as snow removal, vehicle maintenance, engineering and general administration. Culture and recreation would include the aquatic centers, golf course, theater, parks and recreation activities. The sanitation expenditure includes the cost for residential waste pickup, bulk waste services and recycling.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

On March 31, 2014, the governmental funds had a combined fund balance of \$38.3 million. The Governmental Fund balance sheet can be found on page 31. This reflects a \$1,433,485 increase from the prior year. The primary reason for this increase is the result of strong revenue and expenditure savings in the General Fund.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Table 3
General Fund Budgetary Highlights for the
Fiscal Year Ended March 31, 2014
With Comparative Actual Totals for the Year Ended March 31, 2013**

	Original Budget	Amended Budget	Actual 2014	Actual 2013
<i>REVENUES</i>				
Taxes	\$ 26,503,835	\$ 26,459,334	\$ 26,218,380	\$ 26,465,455
Licenses & Permits	674,900	651,692	691,003	663,707
Other	26,269,606	27,262,053	28,163,560	27,267,303
<i>Total Revenues</i>	53,448,341	54,373,079	55,072,943	54,396,465
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(51,680,092)	(51,995,423)	(50,213,943)	(46,792,578)
Transfers Out	(10,030,104)	(12,653,921)	(6,042,891)	(4,328,070)
Transfers In	7,129,400	7,176,191	1,093	56,899
Sale of Land	-	-	-	413,097
<i>Total Expenditures and Transfers</i>	(54,580,796)	(57,473,153)	(56,255,741)	(50,650,652)
<i>Change in Fund Balance</i>	\$ (1,132,455)	\$ (3,100,074)	\$ (1,182,798)	\$ 3,745,813

Total budgeted revenues increased \$924,738. The amended budget increase was the result of a generally improving local economy.

Total budgeted expenditures, including transfers, increased \$2,939,148. The amended budget increase was the result of an increase in capital related expenditures.

During the year, the Town accounts for the Vehicle and Equipment Replacement Fund and Debt Service & Project Reserve Fund separately from the General Fund. However, for this financial presentation, these three funds are combined. The General Fund, as reported in this presentation, ended the year with a deficit. That deficit was primarily driven by additional spending from the Vehicle and Equipment Replacement Fund. Spending in this fund can spike up or down depending on the timing of vehicle and equipment replacement needs. The spending out of this fund was significant (and planned for) with a total fund decrease of \$2.4 million for FY2013-14. The Debt Service & Project Reserve fund balance decreased \$900k during FY2013-14. This fund serves as a conduit of financial resources for the Town's debt, as well as a planned reserve for debt coverage. The decrease was the result of reducing the overfunded position the Fund currently maintains, as well as less funding needed due to favorable refunding interest rates on the Town's debt.

Removing the effects of the decreases in the Vehicle and Equipment Replacement Fund and Debt Service & Project Reserve Fund, the remaining activity in the General Fund (recurring operating activity) reported a total surplus just over \$2.0 million. This was due to better than expected income tax revenue as well as savings across several operational accounts.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

With respect to the business-type activities, the Water Fund recorded favorable results for FY2013-14.

Capital Assets

The following schedule reflects the Town's capital asset balances as of March 31, 2014.

**Table 4
Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and						
Right of Ways	\$ 35,828,030	\$ 35,689,461	\$ 384,302	\$ 384,302	\$ 36,212,332	\$ 36,073,763
Buildings and						
Improvements	104,742,899	103,884,233	57,925,985	55,735,561	162,668,884	159,619,794
Vehicles and						
Equipment	19,015,782	17,242,152	4,042,515	3,478,342	23,058,297	20,720,494
Infrastructure	59,113,635	58,606,059	-	-	59,113,635	58,606,059
Construction in						
Progress	1,497,404	1,336,688	719,309	137,394	2,216,713	1,474,082
Less:						
Accumulated Deprec.	(67,668,150)	(61,185,836)	(27,045,287)	(25,517,013)	(94,713,437)	(86,702,849)
Total	\$ 152,529,600	\$ 155,572,757	\$ 36,026,824	\$ 34,218,586	\$ 188,556,424	\$ 189,791,343

At year-end, the Town's investment in capital assets for the governmental activities was \$152.5 million (net of accumulated depreciation). This represents a decrease of 1.9% from March 31, 2013.

Major capital asset events during FY 13-14 included the following:

Vehicles & Equipment purchases	\$3,166,755
Highways & Streets additions	834,233

Additional information on the Town's capital assets can be found on pages 56 through 59 of this report.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Long-Term Debt

As of March 31, 2014, the Town had a total of \$82.6 million in bonded indebtedness outstanding. General obligation bonds comprise \$78.05 million of the bonds outstanding. These bonds are backed by the full faith and credit of the Town government. In keeping with the Town's historical approach to debt service, the Town plans to fully abate its property tax levy for debt service and use revenues from other sources to pay general obligation debt service.

The remaining \$4.55 million in outstanding bonds are Special Service Area Ad Valorem taxable bonds. A direct annual tax levy is placed upon businesses residing in the Special Service Area, commonly referred to as the Shoppes at College Hills, to pay the annual debt on the outstanding bonds. The levy is abated by a portion of the municipal sales tax generated within the Special Service Area each year to help minimize the property tax assessed.

There are two outstanding EPA loans for the Water Fund. These two EPA loans are a \$1,328,534 Piping EPA loan and \$887,721 Filter EPA loan. These EPA loans will be repaid over a 20-year period. The final payments for both will occur in 2030.

The table below summarizes the Town's bonded and similar indebtedness.

**Table 5
Bonded and Similar Indebtedness**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation						
Bonds	\$ 71,156,618	\$ 72,359,901	\$ 6,898,382	\$ 6,990,099	\$ 78,055,000	\$ 79,350,000
SSA Bond	4,550,000	4,870,000	-	-	4,550,000	4,870,000
EPA Loan	-	-	2,216,255	2,282,789	2,216,255	2,282,789
Total	\$ 75,706,618	\$ 77,229,901	\$ 9,114,637	\$ 9,272,888	\$ 84,821,255	\$ 86,502,789

As an Illinois home-rule community, the Town is not subject to any debt limitation. The Town's most recent bond rating (October 2013) is Aa1 from Moody's Investors Service, AAA from Fitch Ratings and AA from Standard and Poor's Ratings Service.

Additional information on the Town's long-term debt can be found in Note 5 on pages 60 through 68 of this report.

**TOWN OF NORMAL ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Economic Factors

The Town's property tax base possesses significant residential and commercial components. The value of residential and commercial (including industrial and railroad) properties comprised 67.4% and 32.6%, respectively, of the Town's total 2013 equalized assessed value of \$820,003,045. Property taxes imposed on property within the Town's corporate limits provide a stable revenue source.

CONTACT INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Town's financial status and to demonstrate the Town's approach to fiscal responsibility and accountability. Questions concerning this report or requests for additional financial information should be directed to Andrew Huhn, Director of Finance, Town of Normal, 11 Uptown Circle, Normal, Illinois 61761.

TOWN OF NORMAL, ILLINOIS
STATEMENT OF NET POSITION
March 31, 2014

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Library	Children's Discovery Museum Foundation
	Activities	Activities			
ASSETS AND DEFERRED OUTFLOWS					
Current assets:					
Cash and cash equivalents	\$ 10,365,566	\$ 6,600,482	\$ 16,966,048	\$ 990,960	\$ 483,048
Investments	24,611,250	7,650,391	32,261,641	1,938,895	5,794
Receivables, net:					
Property taxes	7,810,133	-	7,810,133	3,661,000	-
Local taxes	1,274,564	-	1,274,564	31,882	-
Accounts, consumers	75,095	779,713	854,808	-	-
Estimated unbilled usage	-	1,121,261	1,121,261	-	-
Contributions	-	-	-	-	12,863
Other	2,896,103	-	2,896,103	-	139,684
Due from other governmental agencies	5,480,909	-	5,480,909	65,621	-
Inventories	84,073	410,710	494,783	-	-
Prepaid items	150,807	2,847	153,654	-	-
	<u>52,748,500</u>	<u>16,565,404</u>	<u>69,313,904</u>	<u>6,688,358</u>	<u>641,389</u>
Total current assets					
Other noncurrent assets:					
Contributions receivable, noncurrent	-	-	-	-	15,397
Net pension asset - Police and Fire	2,338,789	-	2,338,789	-	-
	<u>2,338,789</u>	<u>-</u>	<u>2,338,789</u>	<u>-</u>	<u>-</u>
Total other noncurrent assets					
	<u>2,338,789</u>	<u>-</u>	<u>2,338,789</u>	<u>-</u>	<u>15,397</u>
Capital assets:					
Land	35,828,030	384,302	36,212,332	126,211	-
Construction in progress	1,497,404	719,309	2,216,713	-	-
Property and equipment, net	84,165,476	34,923,213	119,088,689	1,191,861	-
Infrastructure, net	31,038,690	-	31,038,690	-	-
	<u>152,529,600</u>	<u>36,026,824</u>	<u>188,556,424</u>	<u>1,318,072</u>	<u>-</u>
Total capital assets					
	<u>152,529,600</u>	<u>36,026,824</u>	<u>188,556,424</u>	<u>1,318,072</u>	<u>-</u>
Total noncurrent assets					
	<u>154,868,389</u>	<u>36,026,824</u>	<u>190,895,213</u>	<u>1,318,072</u>	<u>15,397</u>
Deferred outflows:					
Deferred amount on refunding	1,171,413	-	1,171,413	-	-
	<u>1,171,413</u>	<u>-</u>	<u>1,171,413</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>208,788,302</u>	<u>52,592,228</u>	<u>261,380,530</u>	<u>8,006,430</u>	<u>656,786</u>

TOWN OF NORMAL, ILLINOIS
STATEMENT OF NET POSITION
March 31, 2014

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Library	Children's Discovery Museum Foundation
	Activities	Activities			
LIABILITIES AND DEFERRED INFLOWS					
Current liabilities:					
Accounts and contracts payable	\$ 2,558,997	\$ 1,416,075	\$ 3,975,072	\$ 76,327	\$ 36,283
Interest payable	1,276,031	111,446	1,387,477	-	-
Accrued liabilities	1,141,471	268,812	1,410,283	54,591	-
Unearned revenue	700,662	-	700,662	-	-
Compensated absences	1,375,283	-	1,375,283	94,009	-
GO Bond payables, current	1,195,296	124,704	1,320,000	-	-
SSA Bond payables, current	365,000	-	365,000	-	-
Loans payable, current	-	119,850	119,850	-	-
Total current liabilities	<u>8,612,740</u>	<u>2,040,887</u>	<u>10,653,627</u>	<u>224,927</u>	<u>36,283</u>
Noncurrent liabilities:					
Compensated absences, noncurrent	592,092	-	592,092	-	-
GO Bond payable	71,663,823	6,773,677	78,437,500	-	-
SSA Bond payable	4,185,000	-	4,185,000	-	-
Loans payable	-	2,096,405	2,096,405	-	-
Net pension obligation - Illinois Municipal Retirement	175,041	-	175,041	-	-
Other post-employment benefits, due beyond one year	9,388,660	1,380,693	10,769,353	793,604	-
Total noncurrent liabilities	<u>86,004,616</u>	<u>10,250,775</u>	<u>96,255,391</u>	<u>793,604</u>	<u>-</u>
Deferred inflows:					
Subsequent year property taxes	7,810,133	-	7,810,133	3,661,000	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>\$ 102,427,489</u>	<u>\$ 12,291,662</u>	<u>\$ 114,719,151</u>	<u>\$ 4,679,531</u>	<u>\$ 36,283</u>
Net position:					
Net investment in capital assets	\$ 78,221,943	\$ 27,050,837	\$ 105,272,780	\$ 1,318,072	\$ -
Restricted for:					
Debt service	4,106,959	424,084	4,531,043	-	-
TIF redevelopment	90,964	-	90,964	-	-
Law enforcement	15,180	-	15,180	-	-
Highways and streets	4,887,120	-	4,887,120	-	-
Community development	2,036	-	2,036	-	-
Library development	-	-	-	546,364	-
Foundation exhibits	-	-	-	-	425,168
Unrestricted	19,036,611	12,825,645	31,862,256	1,462,463	195,335
TOTAL NET POSITION	<u>\$ 106,360,813</u>	<u>\$ 40,300,566</u>	<u>\$ 146,661,379</u>	<u>\$ 3,326,899</u>	<u>\$ 620,503</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2014**

Functions/Programs	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental activities:				
General government	\$ 9,983,570	\$ 1,151,929	\$ 17,450	\$ 137
Public safety	21,946,719	4,514,911	18,124	-
Highways and streets	8,050,545	-	44,172	1,637,239
Sanitation	2,579,053	1,672,774	-	-
Culture and recreation	10,685,144	3,996,700	142,452	460,885
Community development	6,340,048	14,322	580,992	-
Interest on long-term debt	3,588,490	-	-	-
Total governmental activities	<u>63,173,569</u>	<u>11,350,636</u>	<u>803,190</u>	<u>2,098,261</u>
Business-type activities:				
Water	7,121,884	10,202,610	-	-
Sewer	2,484,103	2,429,034	-	-
Stormwater management	1,994,661	1,845,039	-	-
Total business-type activities	<u>11,600,648</u>	<u>14,476,683</u>	<u>-</u>	<u>-</u>
Total primary government	74,774,217	25,827,319	803,190	2,098,261
Component units:				
Library	3,516,908	65,133	71,396	-
Children's Discovery Museum Foundation	<u>294,962</u>	<u>79,601</u>	<u>-</u>	<u>136,163</u>
Total government	<u>\$ 78,586,087</u>	<u>\$ 25,972,053</u>	<u>\$ 874,586</u>	<u>\$ 2,234,424</u>

General Revenues:

Taxes:

- Property taxes
- Franchise taxes
- Sales taxes
- Income taxes
- Utility taxes
- Other taxes

Grants and contributions not restricted to specific programs

Investment income

Miscellaneous

Total general revenues

Change in net position

Net position, beginning of year

Restatement

NET POSITION, END OF YEAR

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Library	Children's Discovery Museum Foundation
\$ (8,814,054)	\$ -	\$ (8,814,054)	\$ -	\$ -
(17,413,684)	-	(17,413,684)	-	-
(6,369,134)	-	(6,369,134)	-	-
(906,279)	-	(906,279)	-	-
(6,085,107)	-	(6,085,107)	-	-
(5,744,734)	-	(5,744,734)	-	-
(3,588,490)	-	(3,588,490)	-	-
<u>(48,921,482)</u>	<u>-</u>	<u>(48,921,482)</u>	<u>-</u>	<u>-</u>
-	3,080,726	3,080,726	-	-
-	(55,069)	(55,069)	-	-
-	(149,622)	(149,622)	-	-
<u>-</u>	<u>2,876,035</u>	<u>2,876,035</u>	<u>-</u>	<u>-</u>
(48,921,482)	2,876,035	(46,045,447)	-	-
-	-	-	(3,380,379)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,198)</u>
<u>(48,921,482)</u>	<u>2,876,035</u>	<u>(46,045,447)</u>	<u>(3,380,379)</u>	<u>(79,198)</u>
8,263,883	-	8,263,883	3,608,949	-
960,736	-	960,736	-	-
17,409,756	-	17,409,756	-	-
6,034,887	-	6,034,887	-	-
4,842,617	-	4,842,617	-	-
5,505,769	-	5,505,769	146,325	-
-	-	-	-	18,243
185,233	57,814	243,047	8,237	2,453
<u>3,173,471</u>	<u>453,359</u>	<u>3,626,830</u>	<u>22,814</u>	<u>-</u>
<u>46,376,352</u>	<u>511,173</u>	<u>46,887,525</u>	<u>3,786,325</u>	<u>20,696</u>
(2,545,130)	3,387,208	842,078	405,946	(58,502)
109,814,055	36,913,358	146,727,413	2,920,953	679,005
<u>(908,112)</u>	<u>-</u>	<u>(908,112)</u>	<u>-</u>	<u>-</u>
<u>\$ 106,360,813</u>	<u>\$ 40,300,566</u>	<u>\$ 146,661,379</u>	<u>\$ 3,326,899</u>	<u>\$ 620,503</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
March 31, 2014**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS			
Assets:			
Cash and cash equivalents	\$ 2,133,324	\$ 7,944,342	\$ 10,077,666
Investments, at fair value	17,882,300	4,911,599	22,793,899
Receivables:			
Property taxes	7,333,000	477,133	7,810,133
Local taxes	1,274,564	-	1,274,564
Other	1,841,900	760,956	2,602,856
Due from other governmental agencies	5,480,909	-	5,480,909
Inventories	84,073	-	84,073
Prepaid items	<u>150,807</u>	<u>-</u>	<u>150,807</u>
Total assets	<u>\$ 36,180,877</u>	<u>\$ 14,094,030</u>	<u>\$ 50,274,907</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 2,307,247	\$ 251,270	\$ 2,558,517
Accrued liabilities	<u>877,830</u>	<u>-</u>	<u>877,830</u>
Total liabilities	<u>3,185,077</u>	<u>251,270</u>	<u>3,436,347</u>
Deferred inflows:			
Subsequent year property taxes	<u>7,614,766</u>	<u>896,029</u>	<u>8,510,795</u>
Total liabilities and deferred inflows	<u>10,799,843</u>	<u>1,147,299</u>	<u>11,947,142</u>
Fund balances:			
Nonspendable:			
Inventories	84,073	-	84,073
Prepaid items	150,807	-	150,807
Restricted for:			
Debt service	-	4,106,959	4,106,959
TIF redevelopment	-	90,964	90,964
Law enforcement	-	15,180	15,180
Highways and streets	-	4,887,120	4,887,120
Community development	-	2,036	2,036
Committed to:			
Recreation	-	261,162	261,162
Assigned to:			
Encumbrances	346,650	2,014	348,664
Debt service	-	1,081,674	1,081,674
Capital projects	-	2,499,622	2,499,622
Unassigned	<u>24,799,504</u>	<u>-</u>	<u>24,799,504</u>
Total fund balances	<u>25,381,034</u>	<u>12,946,731</u>	<u>38,327,765</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 36,180,877</u>	<u>\$ 14,094,030</u>	<u>\$ 50,274,907</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
March 31, 2014**

Total governmental fund balances	<u>\$ 38,327,765</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>152,529,600</u>
Internal services funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net position.	
Current assets	2,473,593
Current liabilities	<u>(264,121)</u>
	<u>2,209,472</u>
The net pension assets (obligation) resulting from contributions in excess of (under) the annual required contribution are not financial resources, and, therefore, are not reported in the funds.	
	<u>2,163,748</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences, current	(1,375,283)
Compensated absences, noncurrent	(592,092)
Accrued interest payable	(1,276,031)
Unamortized premiums	(1,702,501)
Other post-employment benefits, due beyond one year	(9,388,660)
GO Bond payable, current	(1,195,296)
SSA Bond payable, current	(365,000)
GO Bond payable, noncurrent	(68,789,909)
SSA Bond payable, noncurrent	<u>(4,185,000)</u>
	<u>(88,869,772)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 106,360,813</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended March 31, 2014**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES			
Taxes	\$ 26,218,381	\$ 2,003,952	\$ 28,222,333
Licenses and permits	691,003	-	691,003
Intergovernmental	14,830,890	2,625,254	17,456,144
Charges for services	8,853,481	152,194	9,005,675
Fines and fees	1,994,749	-	1,994,749
Investment income	66,785	17,874	84,659
Miscellaneous	<u>2,417,654</u>	<u>235,345</u>	<u>2,652,999</u>
Total revenues	<u>55,072,943</u>	<u>5,034,619</u>	<u>60,107,562</u>
EXPENDITURES			
Current operating:			
General government	8,516,399	265,533	8,781,932
Public safety	21,106,397	-	21,106,397
Highways and streets	5,462,490	1,054,244	6,516,734
Sanitation	2,666,584	-	2,666,584
Culture and recreation	8,817,795	798,165	9,615,960
Community development	3,644,279	1,232,078	4,876,357
Debt service:			
Principal	-	1,518,283	1,518,283
Interest and fiscal charges	-	3,585,830	3,585,830
Bond issuance costs	<u>-</u>	<u>153,155</u>	<u>153,155</u>
Total expenditures	<u>50,213,944</u>	<u>8,607,288</u>	<u>58,821,232</u>
Revenues over (under) expenditures	<u>4,858,999</u>	<u>(3,572,669)</u>	<u>1,286,330</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,093	7,428,467	7,429,560
Transfers out	(6,042,891)	(1,386,669)	(7,429,560)
Issuance of bonds, at par	-	5,952,359	5,952,359
Bond premium	-	667,007	667,007
Payment to refunded bond escrow agent	<u>-</u>	<u>(6,472,211)</u>	<u>(6,472,211)</u>
Total other financing sources (uses)	<u>(6,041,798)</u>	<u>6,188,953</u>	<u>147,155</u>
Net change in fund balances	(1,182,799)	2,616,284	1,433,485
FUND BALANCES, BEGINNING	<u>26,563,833</u>	<u>10,330,447</u>	<u>36,894,280</u>
FUND BALANCES, ENDING	<u>\$ 25,381,034</u>	<u>\$ 12,946,731</u>	<u>\$ 38,327,765</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NORMAL, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2014

Net changes in fund balances - governmental funds \$ 1,433,485

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay - Acquisitions	5,313,419
Depreciation	(7,748,927)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net assets:

Dispositions	(607,648)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	78,559
OPEB obligations	(2,212,680)
Net pension asset - Police and Fire	(465,810)
Net pension obligation - Illinois Municipal Retirement	(3,666)

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of general obligation bonds	1,518,283
Interest	52,458
Amortization of bond premium	93,076
Deferred amount on refunding	(55,118)
Increase in deferred amount on refunding	607,935
Premium on issued bonds	(667,007)
Premium on refunding of general obligation bonds	54,073
Issuance of general obligation bonds, at par	(6,619,366)
Refunding of general obligation bonds, at par	6,624,366

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net revenue/expense of certain activities of internal service funds is reported with governmental activities. 59,438

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (2,545,130)

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
March 31, 2014**

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Water</u>	<u>Sewer</u>	<u>Storm Water Management</u>	<u>Total</u>	<u>Activities Internal Service</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,331,107	\$ 1,750,975	\$ 518,400	\$ 6,600,482	\$ 287,900
Investments, at fair value	4,348,252	704,548	2,597,591	7,650,391	1,817,351
Receivables:					
Accounts, consumers	590,472	99,352	89,889	779,713	75,095
Estimated unbilled usage	911,640	209,621	-	1,121,261	-
Other	-	-	-	-	293,247
Inventories	410,710	-	-	410,710	-
Prepaid items	2,010	837	-	2,847	-
	<u>10,594,191</u>	<u>2,765,333</u>	<u>3,205,880</u>	<u>16,565,404</u>	<u>2,473,593</u>
Noncurrent assets:					
Property and equipment, net	<u>24,420,286</u>	<u>11,297,907</u>	<u>308,631</u>	<u>36,026,824</u>	<u>-</u>
TOTAL ASSETS	<u>35,014,477</u>	<u>14,063,240</u>	<u>3,514,511</u>	<u>52,592,228</u>	<u>2,473,593</u>
LIABILITIES AND NET POSITION					
Current liabilities:					
Accounts and contracts payable	1,101,593	202,364	112,118	\$ 1,416,075	480
Interest payable	67,732	43,714	-	111,446	-
Accrued liabilities	196,301	72,511	-	268,812	263,641
Unearned revenue	-	-	-	-	-
GO Bond payable - current	73,175	51,529	-	124,704	-
Loan payable - current	119,850	-	-	119,850	-
	<u>1,558,651</u>	<u>370,118</u>	<u>112,118</u>	<u>2,040,887</u>	<u>264,121</u>
Noncurrent liabilities:					
GO Bond payable	3,961,811	2,811,866	-	6,773,677	-
Loan payable	2,096,405	-	-	2,096,405	-
Other post-employment benefits, due beyond one year	<u>983,397</u>	<u>397,296</u>	<u>-</u>	<u>1,380,693</u>	<u>-</u>
	<u>7,041,613</u>	<u>3,209,162</u>	<u>-</u>	<u>10,250,775</u>	<u>-</u>
Total liabilities	<u>8,600,264</u>	<u>3,579,280</u>	<u>112,118</u>	<u>12,291,662</u>	<u>264,121</u>
Net position:					
Net investment in capital assets	18,169,045	8,573,161	308,631	27,050,837	-
Restricted for debt service	245,473	178,611	-	424,084	-
Unrestricted	<u>7,999,695</u>	<u>1,732,188</u>	<u>3,093,762</u>	<u>12,825,645</u>	<u>2,209,472</u>
TOTAL NET POSITION	<u>\$ 26,414,213</u>	<u>\$ 10,483,960</u>	<u>\$ 3,402,393</u>	<u>\$ 40,300,566</u>	<u>\$ 2,209,472</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 Year Ended March 31, 2014**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service
	Water	Sewer	Storm Water Management	Total	
OPERATING REVENUE					
Charges for services	\$ 10,202,610	\$ 2,429,034	\$ 1,845,039	\$ 14,476,683	\$ 4,400,036
Rent income	51,640	-	-	51,640	-
Miscellaneous	<u>381,325</u>	<u>-</u>	<u>-</u>	<u>381,325</u>	<u>761,096</u>
Total operating revenue	<u>10,635,575</u>	<u>2,429,034</u>	<u>1,845,039</u>	<u>14,909,648</u>	<u>5,161,132</u>
OPERATING EXPENSES					
Personal services	3,352,475	1,130,890	-	4,483,365	4,740,827
Contractual services	1,436,274	439,598	1,976,021	3,851,893	368,365
Supplies and materials	1,106,096	120,121	2,116	1,228,333	-
Depreciation	1,037,351	620,577	16,524	1,674,452	-
Miscellaneous	<u>700</u>	<u>41,559</u>	<u>-</u>	<u>42,259</u>	<u>-</u>
Total operating expenses	<u>6,932,896</u>	<u>2,352,745</u>	<u>1,994,661</u>	<u>11,280,302</u>	<u>5,109,192</u>
Operating income	<u>3,702,679</u>	<u>76,289</u>	<u>(149,622)</u>	<u>3,629,346</u>	<u>51,940</u>
NONOPERATING REVENUE (EXPENSE)					
Investment income	44,049	4,634	9,131	57,814	7,498
Gain on sale of capital assets	20,394	-	-	20,394	-
Interest expense	<u>(188,988)</u>	<u>(131,358)</u>	<u>-</u>	<u>(320,346)</u>	<u>-</u>
Total nonoperating revenue (expense)	<u>(124,545)</u>	<u>(126,724)</u>	<u>9,131</u>	<u>(242,138)</u>	<u>7,498</u>
Change in net position	3,578,134	(50,435)	(140,491)	3,387,208	59,438
TOTAL NET POSITION - BEGINNING	<u>22,836,079</u>	<u>10,534,395</u>	<u>3,542,884</u>	<u>36,913,358</u>	<u>2,150,034</u>
TOTAL NET POSITION - ENDING	<u>\$ 26,414,213</u>	<u>\$ 10,483,960</u>	<u>\$ 3,402,393</u>	<u>\$ 40,300,566</u>	<u>\$ 2,209,472</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
ALL PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Year Ended March 31, 2014**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Storm Water Management</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 10,623,686	\$ 2,441,525	\$ 1,857,279	\$ 14,922,490	\$ 5,145,056
Payments to employees	(3,110,389)	(1,011,277)	-	(4,121,666)	-
Payments to suppliers	(2,062,461)	(462,120)	(1,938,851)	(4,463,432)	(368,125)
Payments to claimants	-	-	-	-	(5,343,441)
Net cash provided by (used in) operating activities	<u>5,450,836</u>	<u>968,128</u>	<u>(81,572)</u>	<u>6,337,392</u>	<u>(566,510)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from capital debt	424,279	-	-	424,279	-
Proceeds from sale of capital assets	31,900	-	-	31,900	-
Purchases of capital assets	(2,838,161)	(681,137)	-	(3,519,298)	-
Principal paid on capital debt	(541,707)	(40,823)	-	(582,530)	-
Interest paid on capital debt	(189,291)	(131,709)	-	(321,000)	-
Net cash used in capital and related financing activities	<u>(3,112,980)</u>	<u>(853,669)</u>	<u>-</u>	<u>(3,966,649)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(3,761,715)	(502,114)	(1,508,563)	(5,772,392)	(357,130)
Interest and dividends received	<u>44,049</u>	<u>4,634</u>	<u>9,131</u>	<u>57,814</u>	<u>7,498</u>
Net cash used in investing activities	<u>(3,717,666)</u>	<u>(497,480)</u>	<u>(1,499,432)</u>	<u>(5,714,578)</u>	<u>(349,632)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,379,810)</u>	<u>(383,021)</u>	<u>(1,581,004)</u>	<u>(3,343,835)</u>	<u>(916,142)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,710,917</u>	<u>2,133,996</u>	<u>2,099,404</u>	<u>9,944,317</u>	<u>1,204,042</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,331,107</u>	<u>\$ 1,750,975</u>	<u>\$ 518,400</u>	<u>\$ 6,600,482</u>	<u>\$ 287,900</u>

**TOWN OF NORMAL, ILLINOIS
ALL PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Year Ended March 31, 2014**

	Business-type Activities - Enterprise Funds				Governmental
	<u>Water</u>	<u>Sewer</u>	<u>Storm Water Management</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income	\$ 3,702,679	\$ 76,289	\$ (149,622)	\$ 3,629,346	\$ 51,940
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	1,037,351	620,577	16,522	1,674,450	-
Effect of changes in assets and liabilities:					
Accounts and unbilled usage receivables	(11,889)	12,491	12,240	12,842	(309,272)
Inventories	(16,169)	-	-	(16,169)	-
Prepaid items	10,736	4,687	-	15,423	-
Accounts and contracts payable	486,041	134,471	39,288	659,800	240
Accrued liabilities	242,087	119,613	-	361,700	(309,367)
Unearned revenue	-	-	-	-	(51)
	-	-	-	-	(51)
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
	<u>\$ 5,450,836</u>	<u>\$ 968,128</u>	<u>\$ (81,572)</u>	<u>\$ 6,337,392</u>	<u>\$ (566,510)</u>
 NONCASH INVESTING ACTIVITIES					
Capital assets included in accounts and contracts payable	<u>\$ 30,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,776</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET POSITION
March 31, 2014**

ASSETS

Cash and cash equivalents	<u>\$ 1,208,012</u>
Investments, at fair value:	
Certificates of deposit	2,250,000
Pooled investment accounts	8,905,549
U.S. Government obligations	13,218,497
Corporate bonds	1,440,423
Mutual funds	27,059,343
Equities	<u>3,105,268</u>
Total investments	<u>55,979,080</u>
Receivables:	
Interest	75,099
Taxes	<u>21,229</u>
Total receivables	<u>96,328</u>
Total assets	<u>57,283,420</u>

LIABILITIES

Accounts payable	<u>194</u>
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NET POSITION,

held in trust for pension benefits	<u>\$ 57,283,226</u>
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The accompanying notes are an integral part of the financial statements.

**TOWN OF NORMAL, ILLINOIS
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended March 31, 2014**

ADDITIONS

Contributions - Employer	\$ 2,500,637
Contributions - Members	<u>991,015</u>
Total contributions	<u>3,491,652</u>

INVESTMENT INCOME

Interest	1,856,829
Net appreciation in fair value of investments	<u>3,120,523</u>
Total investment income	4,977,352
Less investment expense	<u>(75,024)</u>
Net investment income	<u>4,902,328</u>
Total additions	<u>8,393,980</u>

DEDUCTIONS

Pension benefits	4,012,739
Refunds of contributions	1,065
Administrative expenses	<u>32,634</u>
Total deductions	<u>4,046,438</u>
Change in net position	4,347,542

**NET POSITION HELD IN TRUST FOR PENSION
BENEFITS, BEGINNING OF YEAR**

52,935,684

**NET POSITION HELD IN TRUST FOR PENSION
BENEFITS, END OF YEAR**

\$ 57,283,226

The accompanying notes are an integral part of the financial statements.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Normal is located in McLean County, Illinois and was incorporated in March 1867. The Town operates under a council-manager form of government and provides a full range of services, including public safety, planning and zoning, highway and streets, parks and recreational, water and sewer, and general government functions.

The basic financial statements of the Town of Normal (Town) are prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

As required by generally accepted accounting principles, these basic financial statements present the Town (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is based upon the significance of its operational or financial relationship with the primary government. See Note 8 for information describing related organizations not included in the Town's reporting entity.

Discretely Presented Component Units

Normal Public Library:

This component unit operates and maintains the public library within the Town. The Library's board is separately elected. This component unit is included within the reporting entity because the Town approves the budget and annual tax levy. In addition, the Library is considered to be a legally separate organization. The Library does not issue any separate component unit reports.

Town of Normal Children's Discovery Museum Foundation:

This component unit supports the mission and vision of the Town of Normal Children's Discovery Museum. The Foundation's board is separately appointed. This component unit is included within the reporting entity because the Town exerts significant influence over the Foundation's activities. The Town has the ability to otherwise access the resources of the Foundation which are entirely held for the benefit of the Museum and the resources held by the Foundation are significant to the Town. The information included in this report is for the Foundation's fiscal year ended June 30, 2013. The Foundation issues a separate component unit report, which can be obtained by contacting the Foundation at 11 Uptown Circle, Normal, Illinois 61761.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues and are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to recognize intergovernmental revenue (grants, motor fuel tax allotments, and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenue is recognized based upon the expenditures recorded.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 180 days, except for property taxes, which must be collected within 60 days to be considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, including property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Personal property replacement taxes are considered to be measurable when they have been collected and allocated by the state and are recognized as revenue at that time. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is used to account for all activities of the general government not accounted for in some other fund.

The Town reports the following proprietary funds, all of which are major funds:

The *Water Fund* is used to account for the revenues and expenses related to operating and maintaining the Town's water system.

The *Sewer Fund* is used to account for the revenues and expenses related to operating and maintaining the Town's sanitary sewer system.

The *Storm Water Management Fund* is used to account for the federally mandated storm water program.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Additionally, the Town reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources used to finance specified activities as required by law or by administrative regulation.

The *Capital Projects Fund* accounts for the resources used for the acquisition of capital facilities other than those financed by the enterprise funds activities, including streets, sidewalks, and community development.

Debt Service Funds are used to account for the servicing of long-term debt.

The *Internal Service Fund* is used to account for the Town's self-insured health plan. The purpose of the fund is to pay medical claims of the Town's employees and certain retirees and their covered dependents, and to minimize the total cost of the annual insurance to the Town. Medical claims exceeding \$150,000 per covered individual with aggregate limit are covered through a private insurance carrier. The Town records a liability for all estimated claims incurred but not reported as of March 31, 2014.

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Town. When these assets are held under the terms of a formal trust agreement, a pension fund is used.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Town's sewer, water, and stormwater functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and storm water management enterprise funds and the Town's health insurance internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, the Town's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value, except for Treasury bills which are recorded at amortized cost. Fair value has been based on quoted market prices at March 31, 2014 for debt and equity securities. The composition of pension trust investments, additional deposit and investment information, and fair values are presented in Note 2.

Inventories

Inventories of the general and enterprise funds are generally stated at cost using the consumption method.

Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets, which include infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The Town records all capital items, which are individually greater than \$10,000, with a useful life of greater than one year, as capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 - 67 years
Equipment and vehicles	5 - 20 years
Utilities	5 - 40 years
Infrastructure	10 - 50 years

Property Taxes

Property taxes receivable represents the 2013 levy that is due and collectible in 2014-2015 fiscal year. The 2013 levy was adopted in November 2013. Property taxes attach as an enforceable lien on the property as of January 1 and are due and collectible in June and September of the fiscal year following the 2013 tax levy. For governmental fund types, these property taxes are not available for current year operations and are, therefore, shown as deferred inflows. No allowance is provided for uncollectible taxes, which is immaterial to the financial statements. The 2014 levy has not been recorded as a receivable in accordance with GASB Statement No. 33, *Accounting for Nonexchange Transactions*. While the levy attached as a lien as of January 1, 2014, the taxes will not be levied by the Town or extended by the County until December 2014 and, therefore, the amount is not measurable at March 31, 2014.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

The Town's governmental activities and governmental fund financial statements report a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The Town will not recognize the related expense until a future event occurs. The Town has one type of item reported in the Statement of Net Position which occurs related to expense recognition. The deferred amount on refunding is recognized as a deferred outflow, but the related expenses will be amortized in future periods.

Compensated Absences

Full-time, permanent, and regular part-time employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Town. Sick leave accrues to full-time, permanent, and regular part-time employees to specified maximums. Police officers and firefighters are entitled to their proportionate sick leave balance when they retire or become disabled.

Vested or accumulated vacation pay amounts are accrued when incurred by the Town in the government-wide and proprietary fund financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrued to employees. Accumulated sick pay vests based on years of service. A liability in the governmental funds is reported only if the benefit has matured.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

The Town's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The Town will not recognize the related revenue until a future event occurs. The Town has one type of item which occurs related to revenue recognition. It occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year.

Encumbrances

Encumbrance accounting is used for the general fund, special revenue funds, and capital projects funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as assigned fund balance on the balance sheet. Any encumbrances still open at year end lapse and must be reappropriated in the budget of the new year.

General Fund	\$ 346,650
Nonmajor funds	<u>2,014</u>
Total encumbrances assigned	<u>\$ 348,664</u>

Fund Balance Classification

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town has classified inventory and prepaids as nonspendable fund balance.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified State and federal grants as being restricted because their use is restricted by granting agencies. The Town has classified certain debt proceeds as restricted due to their restrictions by creditors. The Town has also classified property taxes and various fees and fines as being restricted because their use is restricted by State laws and regulations.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification (Continued)

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council, the Town of Normal's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. The Town has classified Park Land Dedication fees as being committed because their use is formally committed by the Town Council.
- Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to another party through the budgetary process. The authority to assign fund balance has been delegated to the Finance Director. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund
- Unassigned: This classification includes the residual fund balance for the General Fund and includes the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Net Position

Net position is the difference between all other elements in a Statement of Net Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition or improvement of those assets.

Interfund Transactions

Interfund services transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data

Budget Policy and Practice

The Town adopts annual budgets for all funds except for the Enterprise Funds (Water Fund, Sewer Fund, and Storm Water Management Fund) and the Internal Service Fund (Health and Dental Insurance Fund). The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to February 1, the City Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to March 31, the annual operating budget is legally enacted through passage of an ordinance. Passage of the annual budget is done in lieu of an appropriation ordinance as permitted by the Illinois Compiled Statutes.

Budgetary Control

Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. Budget transfers between departments within any fund can be made with a majority vote of the Town Council. The Town Council must approve any revisions that alter the total expenditures of any fund. The level of control (level at which expenditures may not exceed budget) is the department total, not the individual line items.

The Town Council, by a majority vote, may amend the legally adopted budget when unexpected modifications are required in the estimated revenues and expenditures. The Council throughout the year approved revisions to the budget in this manner. These changes are reflected in the budgetary figures included in the accompanying financial statements. Individual amendments were not material in relation to the original appropriations, which were amended.

Basis of Accounting

All budgets are adopted on a modified accrual basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year end.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Commitments for Construction and Other Capital Projects

The Town prepares a six-year capital improvement plan, which is updated annually for changes in project scheduling. Contracts for these projects are authorized only for a period for which a budget has been legally adopted. When contracts for the capital projects are let, the current budget appropriation for the project is encumbered to specifically reserve funds for the project.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the statement of net position as "cash and cash equivalents." In addition, investments are separately held by several of the Town's funds. The deposits and investments of the pension trust funds are held separately from those of the other Town funds.

Under its home-rule authority, the Town has adopted an investment policy authorizing a variety of investments including obligations of the U.S. Treasury and U.S. agency's securities, banker's acceptance, repurchase agreements, commercial paper, mutual funds, and the Illinois Funds. Pension investments are governed by State statute and investment policies adopted by their respective boards rather than the Town's investment policy. State statute authorizes the pension boards to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. The Illinois Funds was created by the Illinois State Legislature and is managed by the Illinois State Treasurer. It acts as a money market fund that maintains a \$1 per share value.

Deposits

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the Town's investment policy requires that deposits with financial institutions in excess of FDIC limits be collateralized with collateral in an amount of 110 percent of the uninsured deposits with the collateral held by an independent third party institution acting as the agent of the Town. At March 31, 2014, none of the Town's deposits, including the pension plan deposits, were exposed to custodial credit risk.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of March 31, 2014, the Town (primary government and Library) had the following investments and maturities of debt securities:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>				<u>Rating</u>
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>> 10</u>	
IMET						
Convenience	\$32,368,327	\$32,368,327	\$ -	\$ -	\$ -	Not Rated
Money Market *	1,832,209	1,832,209	-	-	-	AAAm(S&P)

* Illinois Funds

As of March 31, 2014, the Police Pension Trust Fund had the following investments and maturities of debt securities:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>				<u>Rating</u>
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>> 10</u>	
U.S. Treasuries	\$ 1,642,838	\$ 268,473	\$ 871,831	\$ 502,534	\$ -	N/A
Corporate Bonds	485,355	35,537	283,803	166,014	-	N/A
FNMA Notes	196,656	-	196,656	-	-	N/A
FNMA Pass						
Through Pools	1,343,921	-	6,550	69,826	1,267,545	AA+(S&P)
FHLMC Pass						
Through Pools	183,973	-	-	-	183,973	AA+(S&P)
IMET						
Convenience	8,260,078	8,260,078	-	-	-	Not Rated
Corporate						
Obligations	1,753,565	1,753,565	-	-	-	N/A
Mutual Funds:						
5-Star **	1,059,574	1,059,574	-	-	-	7%
4-Star **	5,397,076	5,397,076	-	-	-	34%
3-Star **	9,297,854	9,297,854	-	-	-	59%
Not Rated	9	9	-	-	-	-
Savings						
Account	406	406	-	-	-	N/A
Certificates						
of Deposit	250,000	250,000	-	-	-	N/A

** Morningstar overall rating

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of March 31, 2014, the Fire Pension Trust Fund had the following investments and maturities of debt securities:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>				<u>Rating</u>
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>> 10</u>	
U.S. Treasuries	\$ 4,332,253	\$ 736,296	\$ 2,214,689	\$ 1,381,268	\$ -	N/A
Corporate Bonds	955,068	55,970	523,006	376,093	-	N/A
FNMA Notes	537,065	-	537,065	-	-	N/A
FNMA Pass						
Through Pools	4,005,469	-	110,916	162,020	3,732,533	AA+(S&P)
FHLMC Pass						
Through Pools	477,237	-	-	-	477,237	AA+(S&P)
FHLMC Multi-						
Step up Bonds	499,085	-	-	499,085	-	N/A
IMET						
Convenience	645,471	645,471	-	-	-	Not Rated
Corporate						
Obligations	1,351,703	1,351,703	-	-	-	N/A
Mutual Funds:						
5-Star **	1,041,841	1,041,841	-	-	-	9%
4-Star **	2,630,185	2,630,185	-	-	-	23%
3-Star **	7,628,608	7,628,608	-	-	-	67%
Not Rated	4,196	4,196	-	-	-	1%
Certificates						
of Deposit	2,000,000	2,000,000	-	-	-	N/A

** Morningstar overall rating

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

Illinois Metropolitan Investment Fund (IMET) is a nonprofit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The IMET Convenience Fund is fully collateralized or FDIC insured. The IMET Convenience Fund is not rated.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Town, Police Pension Fund, and Firefighters' Pension Fund will not be able to recover the value of their investments that are in possession of an outside party. The Town and Pension Funds limit the exposure to credit risk by limiting investments to securities in accordance with the respective policies, prequalifying institutions the Town and Pension Funds will do business with, and diversifying the portfolio so the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Illinois Funds, IMET Convenience Fund, and the mutual funds are not subject to custodial credit risk.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. In accordance with the respective investment policies, the Town, Police Pension Fund, and Firefighters' Pension Fund limit their exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations and investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with the policies.

In accordance with its investment policy, the Town limits its exposure to credit risk, the risk that the issue of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools. The Police Pension Fund and the Firefighters' Pension Fund limit their exposure to credit risk by investing in U.S. Treasury obligations which are rated AA or better by a national rating agency, IMET, and other money market and mutual funds.

Concentration of credit risk is the risk that the Town has a high percentage of its investments invested in one type of investment. The Town's investment policy requires diversification of investment to avoid unreasonable risk. At March 31, 2014, the Town's investments representing greater than five percent of their portfolio was the IMET Convenience Fund and Illinois Funds Money Market. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. At March 31, 2014, the Police Pension Funds investments representing greater than five percent of their portfolio was pooled investment accounts, U.S. government obligations, equities, and mutual funds. All investments fall within their acceptable ranges at March 31, 2014. The Firefighters' Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. At March 31, 2014, the Firefighters' Pension Funds investments representing greater than five percent of their portfolio was certificates of deposit, U.S. government obligations, equities, and mutual funds.

**TOWN OF NORMAL, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2014**

NOTE 3 - INTERFUND RECEIVABLES/PAYABLES AND INTERFUND TRANSFERS

At March 31, 2014, there were no interfund receivables or payables.

The Town had the following transfers during the fiscal year:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Nonmajor governmental funds	\$ 1,093	\$ 6,042,891
Nonmajor governmental funds:		
General Fund	5,799,805	1,093
Nonmajor governmental funds	<u>1,628,662</u>	<u>1,385,576</u>
Total interfund transfers	<u>\$ 7,429,560</u>	<u>\$ 7,429,560</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 4 - CAPITAL ASSETS

Governmental Activities

Capital asset activity for the year ended March 31, 2014 consists of the following:

	<u>Balances</u> <u>April 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>March 31</u>
Capital assets not being depreciating:				
Land	\$ 26,134,846	\$ 138,569	\$ -	\$ 26,273,415
Right of ways	9,554,615	-	-	9,554,615
Construction in progress	<u>1,336,688</u>	<u>1,048,437</u>	<u>887,721</u>	<u>1,497,404</u>
Total capital assets not being depreciated	<u>37,026,149</u>	<u>1,187,006</u>	<u>887,721</u>	<u>37,325,434</u>
Capital assets being depreciated:				
Buildings and improvements	103,884,233	858,666	-	104,742,899
Vehicles and equipment	17,242,152	3,166,755	1,393,125	19,015,782
Infrastructure	<u>58,606,059</u>	<u>507,576</u>	<u>-</u>	<u>59,113,635</u>
Total capital assets being depreciated	<u>179,732,444</u>	<u>4,532,997</u>	<u>1,393,125</u>	<u>182,872,316</u>
Total capital assets	<u>216,758,593</u>	<u>5,720,003</u>	<u>2,280,846</u>	<u>220,197,750</u>
Less accumulated depreciation for:				
Buildings and improvements	25,611,895	3,664,350	-	29,276,245
Vehicles and equipment	9,792,434	1,791,139	1,266,613	10,316,960
Infrastructure	<u>25,781,507</u>	<u>2,293,438</u>	<u>-</u>	<u>28,074,945</u>
Total accumulated depreciation	<u>61,185,836</u>	<u>7,748,927</u>	<u>1,266,613</u>	<u>67,668,150</u>
Total capital assets, net of accumulated depreciation	<u>\$ 155,572,757</u>	<u>\$ (2,028,924)</u>	<u>\$ 1,014,233</u>	<u>\$ 152,529,600</u>

Construction in progress is related primarily to the overhead walkway at Uptown Station.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Business-type Activities

Capital asset activity for the year ended March 31, 2014 consists of the following:

<u>Water</u>	<u>Balances</u> <u>April 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>March 31</u>
Capital assets not being depreciated:				
Land	\$ 384,302	\$ -	\$ -	\$ 384,302
Construction in progress	100,220	564,343	67,110	597,453
Total capital assets not being depreciated	<u>484,522</u>	<u>564,343</u>	<u>67,110</u>	<u>981,755</u>
Capital assets being depreciated:				
Buildings and improvements	36,296,900	2,178,354	-	38,475,254
Vehicles and equipment	2,165,372	191,790	186,898	2,170,264
Total capital assets being depreciated	<u>38,462,272</u>	<u>2,370,144</u>	<u>186,898</u>	<u>40,645,518</u>
Total capital assets	<u>38,946,794</u>	<u>2,934,487</u>	<u>254,008</u>	<u>41,627,273</u>
Less accumulated depreciation for:				
Buildings and improvements	14,915,636	867,636	-	15,783,272
Vehicles and equipment	1,400,177	169,715	146,177	1,423,715
Total accumulated depreciation	<u>16,315,813</u>	<u>1,037,351</u>	<u>146,177</u>	<u>17,206,987</u>
Total capital assets, net of accumulated depreciation	<u>\$ 22,630,981</u>	<u>\$ 1,897,136</u>	<u>\$ 107,831</u>	<u>\$ 24,420,286</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Business-type Activities (Continued)

Construction in progress is related several water projects that are in progress.

<u>Sewer</u>	<u>Balances</u> <u>April 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>March 31</u>
Capital assets not being depreciated:				
Construction in progress	\$ 12,070	\$ 121,856	\$ 12,070	\$ 121,856
Total capital assets not being depreciated	<u>12,070</u>	<u>121,856</u>	<u>12,070</u>	<u>121,856</u>
Capital assets being depreciated:				
Buildings and improvements	19,089,514	12,070	-	19,101,584
Vehicles and equipment	<u>1,275,045</u>	<u>559,281</u>	<u>-</u>	<u>1,834,326</u>
Total capital assets being depreciated	<u>20,364,559</u>	<u>571,351</u>	<u>-</u>	<u>20,935,910</u>
Total capital assets	<u>20,376,629</u>	<u>693,207</u>	<u>12,070</u>	<u>21,057,766</u>
Less accumulated depreciation for:				
Buildings and improvements	8,168,976	502,214	-	8,671,190
Vehicles and equipment	<u>970,306</u>	<u>118,363</u>	<u>-</u>	<u>1,088,669</u>
Total accumulated depreciation	<u>9,139,282</u>	<u>620,577</u>	<u>-</u>	<u>9,759,859</u>
Total capital assets, net of accumulated depreciation	<u>\$ 11,237,347</u>	<u>\$ 72,630</u>	<u>\$ 12,070</u>	<u>\$ 11,297,907</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Business-type Activities (Continued)

<u>Stormwater Management</u>	<u>Balances</u> <u>April 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>March 31</u>
Capital assets not being depreciated:				
Construction in progress	\$ 25,105	\$ -	\$ 25,105	\$ -
Total capital assets not being depreciated	<u>25,105</u>	<u>-</u>	<u>25,105</u>	<u>-</u>
Capital assets being depreciated:				
Buildings and improvements	349,147	-	-	349,147
Vehicles and equipment	<u>37,925</u>	<u>-</u>	<u>-</u>	<u>37,925</u>
Total capital assets being depreciated	<u>387,072</u>	<u>-</u>	<u>-</u>	<u>387,072</u>
Total capital assets	<u>412,177</u>	<u>-</u>	<u>25,105</u>	<u>387,072</u>
Less accumulated depreciation for:				
Buildings and improvements	40,479	10,592	-	51,071
Vehicles and equipment	<u>21,440</u>	<u>5,930</u>	<u>-</u>	<u>27,370</u>
Total accumulated depreciation	<u>61,919</u>	<u>16,522</u>	<u>-</u>	<u>78,441</u>
Total capital assets, net of accumulated depreciation	<u>\$ 350,258</u>	<u>\$ (16,522)</u>	<u>\$ 25,105</u>	<u>\$ 308,631</u>
Total business-type activities	<u>\$ 34,218,586</u>	<u>\$ 1,953,244</u>	<u>\$ 145,006</u>	<u>\$ 36,026,824</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 778,616
Public safety	505,771
Highway streets	2,779,247
Sanitation	526,923
Culture and recreation	1,460,892
Community development	<u>1,697,478</u>
Total depreciation expense - governmental activities	<u>\$ 7,748,927</u>
Business-type activities:	
Water	\$ 1,037,351
Sewer	620,577
Storm Water Management	<u>16,522</u>
Total depreciation expense - business-type activities	<u>\$ 1,674,450</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Bonds Payable

General Obligation Bonds, Series 2005

The Town issued \$10,000,000 General Obligation Demand Bonds, Series 2005 for the purpose of funding uptown projects. On November 13, 2013, the Town issued General Obligation Refunding Bonds that advance refunded \$9,110,000 of the outstanding 2005 bonds. There is a remaining principal balance of \$390,000 plus \$175,000 interest due June 1, 2014 and \$215,000 plus interest due June 1, 2015. Interest rates vary between 3.8 and 4.65 percent.

General Obligation Bonds, Series 2006

The Town issued \$10,000,000 General Obligation Demand Bonds, Series 2006 for the purpose of funding uptown projects. The Town pays debt service expenditures from dedicated revenues and abates associated property tax levies. Principal payments ranging from \$200,000 to \$1,045,000 annually beginning in fiscal year 2014, final payment due in fiscal year 2036. Interest rates vary between 4.00 and 4.40 percent, and interest is due semiannually on June 1 and December 1.

General Obligation Bonds, Series 2007

The Town issued \$24,700,000 General Obligation Demand Bonds, Series 2007 for the purpose of funding uptown projects. The Town pays debt service expenditures from dedicated revenues and abates associated property tax levies. Principal payments due June 1, ranging from \$245,000 to \$3,050,000 annually which began in fiscal year 2011, final payment due in fiscal year 2037. Interest rates vary between 4.25 and 4.75 percent, and interest is due semiannually on June 1 and December 1.

General Obligation Bonds, Series 2008

The Town issued \$10,000,000 General Obligation Demand Bonds, Series 2008 for the purpose of funding uptown projects. The Town pays debt service expenditures from dedicated revenues and abates associated property tax levies. Principal payments ranging from \$500,000 to \$1,500,000 annually beginning in fiscal year 2018, final payment due in fiscal year 2039. Interest rates vary between 4.05 and 5.00 percent, and interest is due semiannually on June 1 and December 1.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Refunding Bonds, Series 2009

The Town issued \$9,490,000 General Obligation Refunding Bonds, Series 2009 for the purpose of currently refunding of the General Obligation Bonds, Series 2003. The Town pays debt service expenditures from property tax levies. Principal payments due June 1, ranging from \$505,000 to \$1,000,000 annually which began in fiscal year 2012, final payment due in fiscal year 2024. Interest rates vary between 2.50 and 5.00 percent and interest payments are due semiannually on June 1 and December 1.

General Obligation Build America Bonds, Taxable, Series 2009A

The Town issued \$5,900,000 Taxable General Obligation Bonds, Series 2009A for the purpose of financing facilities and improvements constituting a conference and community meeting center, parking facilities, streets, and other improvements. The Town pays debt service expenditures from property tax levies. Principal payments due June 1, ranging from \$500,000 to \$2,500,000 annually beginning in fiscal year 2037, final payment due in fiscal year 2040. Interest rate is 6 percent and interest payments are due semiannually on June 1 and December 1. Build America Bonds provide a federal subsidy in an amount equal to 35 percent of the total coupon interest paid.

General Obligation Build America (Recovery Zone Economic Development Bonds) Bonds, Taxable, Series 2010A

The Town issued \$1,855,000 taxable General Obligation Demand Bonds, Series 2010A for the purpose of acquiring, constructing, and installing facilities and improvements constituting a new transportation center and related facilities, improvements, and costs constituting public facilities. The Town pays debt service expenditures from dedicated revenues or associated property tax levies, if not abated. Principal payments ranging from \$905,000 to \$950,000 annually beginning in fiscal year 2040, final payment due in fiscal year 2041. Interest rate is 6.30 percent and interest is due semiannually on June 1 and December 1. Recovery Zone Economic Development Bonds provide a federal subsidy in an amount equal to 45 percent of the total coupon interest paid.

General Obligation Refunding Bonds, Series 2012

The Town issued \$9,610,000 General Obligation Refunding Bonds, Series 2012 for the purpose of advance refunding \$9,200,000 of the General Obligation Bonds, Series 2004. The Town pays debt service expenditures from dedicated revenues and abates associated property tax levies. Principal payments are due June 1, ranging from \$100,000 to \$1,370,000 annually beginning in fiscal year 2020, final payment due in fiscal year 2030. Interest rates vary between 2.0 and 3.0 percent, and interest payments are due semiannually on June 1 and December 1.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Refunding Bonds, Series 2013

The Town issued \$9,105,000 General Obligation Refunding Bonds, Series 2013 for the purpose of advance partial refunding of the G.O. Bonds, Series 2005. The Town pays debt service expenditures from dedicated revenues and abates associated with property tax levies. Principal payments are due December 1, ranging from \$240,000 to \$935,000 annually beginning in fiscal year 2016. Final payment is due in fiscal year 2030. Interest rates vary between 3 percent and 4.25 percent, and interest payments are due semi-annually on June 1 and December 1.

The following are summaries of the Town's general obligation bonds future annual debt service principal and interest requirements:

Fiscal Year Ending March 31,	General Obligation Bonds Principal*	General Obligation Bonds Interest*	Total
2015	\$ 1,320,000	\$ 3,386,908	\$ 4,706,908
2016	1,915,000	3,310,404	5,225,404
2017	1,625,000	3,242,054	4,867,054
2018	2,085,000	3,163,192	5,248,192
2019	2,065,000	3,067,379	5,132,379
2020-2024	14,460,000	13,748,957	28,208,957
2025-2029	16,385,000	10,895,701	27,280,701
2030-2034	18,165,000	7,432,073	25,597,073
2035-2039	16,280,000	3,079,790	19,359,790
2040-2041	<u>3,755,000</u>	<u>175,283</u>	<u>3,930,283</u>
Total	<u>\$78,055,000</u>	<u>\$51,501,741</u>	<u>\$ 129,556,741</u>

* Total debt service payments include amounts paid from the Water and Sewer Funds.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Bonds Payable (Continued)

Special Service Area Bonds, Series 2004

The Town issued \$5,510,000 Special Service Area Bonds, Taxable Series 2004 for the purpose of funding the Shoppes at College Hills. This is not a Town owned facility, but is privately owned. The Town pays debt service expenditures from property tax levied on the parcels within the Special Service Area. Principal payments due June 1, ranging from \$80,000 to \$660,000 annually which began in fiscal year 2010, final payment due in fiscal year 2025. Interest is due semiannually on June 1 and December 1 at 8.25 percent.

The following is a summary of the Town's Special Service Area Bonds future annual debt service principal and interest requirements:

Fiscal Year Ending March 31.	Special Service Area Bonds Principal	Special Service Area Bonds Interest	Total
2015	\$ 365,000	\$ 380,589	\$ 745,589
2016	400,000	350,058	750,058
2017	455,000	317,467	772,467
2018	510,000	278,541	788,541
2019	575,000	235,881	810,881
2020-2024	1,585,000	541,555	2,126,555
2025	<u>660,000</u>	<u>55,358</u>	<u>715,558</u>
Total	<u>\$ 4,550,000</u>	<u>\$ 2,159,449</u>	<u>\$ 6,709,449</u>

Advance Refunding

The Town issued \$9,105,000 General Obligation Refunding Bonds, Series 2013 with an interest rate varying from 3 to 4.25 percent for an advance partial refunding of \$9,110,000 General Obligation Bonds, Series 2005, with an interest rate varying from 3.8 to 4.65 percent. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$607,935. This amount is being netted against the new debt and amortized over the new debt's life. This refunding resulted in an economic gain of \$352,879. The net proceeds of the refunding bonds were used to purchase State of Illinois general obligation securities which were placed in an irrevocable trust with an escrow agent to meet debt service of the 2005 bonds, resulting in defeasance of the old debt. Defeased debt is not reported on this financial statement; only the new debt is reported.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Compensated Absences

The Town has included the vested portion of the sick and vacation leave as long-term debt.

Specific years for payment of compensated absences are not determinable and are not included in the table above.

Changes in Long-term Liabilities

During the fiscal year, the activity relating to governmental long-term liabilities is as follows:

	Balances <u>April 1</u>	<u>Additions</u>	<u>Reductions</u>	Balances <u>March 31</u>	<u>Due Within One Year</u>
\$10,000,000 G.O. Demand Bonds, Series 2004, partially refunded with G.O. Refunding Bonds, Series, 2012. Remaining principal and interest payment due June 1, 2013	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
\$5,510,000 SSA Bonds, Taxable Series 2004, monthly interest payments at 8.25 percent, due June 1, 2025, principal payments begin December 1, 2009	4,870,000	-	320,000	4,550,000	365,000
\$10,000,000 G.O. Demand Bonds, Series 2005, semiannual interest payments at rates ranging from 3.8 to 4.65 percent, due June 1, 2030, principal payments begin June 1, 2009*	9,600,000	-	9,210,000	390,000	175,000
\$10,000,000 G.O. Demand Bonds, Series 2006, semiannual interest payments at rates ranging from 4.0 to 4.4 percent, due June 1, 2035, principal payments begin June 1, 2013	10,000,000	-	200,000	9,800,000	200,000

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Changes in Long-term Liabilities (Continued)

	Balances <u>April 1</u>	<u>Additions</u>	<u>Reductions</u>	Balances <u>March 31</u>	<u>Due Within One Year</u>
\$24,700,000 G.O. Demand Bonds, Series 2007, semiannual interest payments at rates ranging from 4.25 to 4.75 percent, due June 1, 2036, principal payments begin June 1, 2010*	\$ 23,815,000	\$ -	\$ 370,000	\$ 23,445,000	\$ 415,000
\$10,000,000 G.O. Demand Bonds, Series 2008, semiannual interest payments at rates ranging from 4.05 to 5.00 percent, due June 1, 2038, principal payments begin June 1, 2017	10,000,000	-	-	10,000,000	-
\$9,490,000 G.O. Refunding Bonds, Series 2009, semiannual interest payments at rates from 2.5 to 5.0 percent, due June 1, 2023, principal payments begin June 1, 2011	8,470,000	-	520,000	7,950,000	530,000
\$5,900,000 G.O. Build America Bonds, Taxable Series 2009A, semiannual interest payments at 6.0 percent, due June 1, 2039, principal payments begin June 1, 2037	5,900,000	-	-	5,900,000	-

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Changes in Long-term Liabilities (Continued)

	Balances <u>April 1</u>	<u>Additions</u>	<u>Reductions</u>	Balances <u>March 31</u>	<u>Due Within One Year</u>
\$1,855,000 G.O. Demand Bonds, Series 2010A, semiannual interest payments at 6.3 percent, due June 1, 2041, principal payments begin June 1, 2039	\$ 1,855,000	\$ -	\$ -	\$ 1,855,000	\$ -
\$9,610,000 G.O. Refunding Bonds, Series 2012 semiannual interest payments at rates from 2.0 to 3.0 percent, due June 1, 2029, principal payments begin June 1, 2019	9,610,000	-	-	9,610,000	-
\$9,105,000 G.O. Refunding Bonds, Series 2013 semiannual interest Payments at 3.0-4.25%, due December 1, 2029, principal Payments begin December 1, 2015	<u>-</u>	<u>9,105,000</u>	<u>-</u>	<u>9,105,000</u>	<u>-</u>
Total bonds payable	84,220,000	9,105,000	10,720,000	82,605,000	1,685,000
Issuance premiums	<u>1,182,642</u>	<u>667,007</u>	<u>147,149</u>	<u>1,702,500</u>	<u>-</u>
	85,402,642	9,772,007	10,867,149	84,307,500	1,685,000
*A portion of the total is included in the Water and Sewer Funds	<u>(6,990,099)</u>	<u>(3,152,642)</u>	<u>(3,244,359)</u>	<u>(6,898,382)</u>	<u>(124,704)</u>
Total bonds payable, governmental activities	<u>\$ 78,412,543</u>	<u>\$ 6,619,365</u>	<u>\$ 7,622,790</u>	<u>\$ 77,409,118</u>	<u>\$ 1,560,296</u>
Compensated absences	<u>\$ 2,045,936</u>	<u>\$ 1,392,535</u>	<u>\$ 1,471,096</u>	<u>\$ 1,967,375</u>	<u>\$ 1,375,283</u>
Deferred amount on refunding (Shown as deferred outflow)	<u>\$ (618,596)</u>	<u>\$ (607,935)</u>	<u>\$ (55,118)</u>	<u>\$ (1,171,413)</u>	

The General Fund assets have typically been used in prior years to liquidate compensated absences.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities

Loans Payable

The Town borrowed funds from the Illinois Environmental Protection Agency in 2009 for filter renovation. The total loan was \$1,419,045 drawn through March 31, 2014. Under the agreement, \$369,920 of the draws were forgiven and principal payments are due semiannually in an amount of \$26,900. This loan is interest free. These notes are being repaid by the Water Fund.

The Town borrowed funds from the Illinois Environmental Protection Agency beginning in 2009 for piping modifications. The total loan commitment was \$2,037,577, with \$1,970,908 being drawn through March 31, 2014. Under the agreement, \$509,425 of the draws are to be forgiven. The principal payments will be due semiannually in an amount of \$39,453. No interest will be paid on the note. These notes are being repaid by the Water Fund.

The following is a summary of the Town's loan payable future annual debt service principal and interest requirements for completed projects:

Fiscal Year Ending March 31,	Filter Renovation Principal	Piping Modification Estimated Principal	Total
2015	\$ 53,801	\$ 66,049	\$ 119,850
2016	53,801	78,905	132,706
2017	53,801	78,905	132,706
2018	53,801	78,905	132,706
2019	53,801	78,905	132,706
2020-2024	269,006	394,527	663,533
2025-2029	269,006	394,527	663,533
2030-2031	<u>80,703</u>	<u>157,813</u>	<u>238,516</u>
Total	<u>\$ 887,720</u>	<u>\$ 1,328,536</u>	<u>\$ 2,216,256</u>

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-type Activities (Continued)

Loans Payable (Continued)

During the fiscal year, the activity relating to business-type activities long-term liabilities is as follows:

	Balances			Balances	Due Within
	<u>April 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>March 31</u>	<u>One Year</u>
\$3,380,696 IEPA loan due March 9, 2014, at 2.57 percent, payable semiannually	\$ 383,820	\$ -	\$ 383,820	\$ -	\$ -
\$1,049,045 Filter Renovation IEPA loan, due June 30, 2030, zero percent, payable semi-annually	941,522	-	53,802	887,720	53,801
\$1,328,535 Piping Modification IEPA loan, due November 7, 2030, zero percent, payable semi-annually	<u>957,446</u>	<u>424,279</u>	<u>53,190</u>	<u>1,328,535</u>	<u>66,049</u>
	<u>\$ 2,282,788</u>	<u>\$ 424,279</u>	<u>\$ 490,812</u>	<u>\$ 2,216,255</u>	<u>\$ 119,850</u>

NOTE 6 - RETIREMENT PLANS

The Town participates in three defined benefit pension plans, the Illinois Municipal Retirement (IMRF), Firefighters', and Police Pension Plans. IMRF is an agent multiple-employer public employee retirement system and the Fire and Police Pension Plans are single-employer defined benefit pension plans. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund - Agent Multiple Employer Pension Plan

Plan Description

The Town's defined benefit pension plan for regular employees (other than those covered by the Police or Firefighters' plans) provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Town's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Illinois Municipal Retirement Fund - Agent Multiple Employer Pension Plan (Continued)

Funding Policy

As set by statute, Town regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 was 13.58 percent of annual covered payroll. The Town's annual required contribution rate for calendar year 2013 was 13.58 percent. The Town also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For December 31, 2013, the Town's annual pension cost was \$2,070,940. The required contribution for calendar year 2013 was \$2,070,940.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 2,070,940	100%	\$175,041
12/31/12	1,935,441	100	171,375
12/31/11	1,727,909	99	167,786

Net Pension Obligation

The components of the change in the net pension obligation for Illinois Municipal Retirement for the current fiscal year is as follows:

Annual required contribution	\$ 2,095,964
Interest on net pension obligation	12,853
Adjustment to annual required contribution	<u>(9,187)</u>
Annual pension cost	2,099,630
Contributions made	<u>2,095,964</u>
Increase in net pension obligation	3,666
Net pension obligation, beginning of year	<u>171,375</u>
Net pension obligation, end of year	<u>\$ 175,041</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Illinois Municipal Retirement Fund - Agent Multiple Employer Pension Plan (Continued)

The required contribution for 2013 was determined as part of the December 31, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from .4 to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3.0 percent annually. The actuarial value of the Town's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 2.0 percent corridor between the actuarial and market value of assets. The Town's plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis at December 31, 2013.

Funding Status and Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 82.30 percent funded. The actuarial accrued liability for benefits was \$73,548,032 and the actuarial value of assets was \$60,530,569, resulting in an underfunded actuarial accrued liability (UAAL) of \$13,017,463. The covered annual payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$15,249,925 and the ratio of the UAAL to the covered payroll was 85 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police and Fire Pensions - Single Employer Plans

Plan Descriptions

In accordance with the provisions of the Illinois Compiled Statutes, the Town has established separate Police and Fire pension trusts administered by separate Boards of Trustees. These single-employer defined benefit retirement plans are available to all full-time Town police and firefighters. The Police and Fire pension plans provide retirement, disability, and death benefits to plan members and their beneficiaries. The Illinois General Assembly has the authority to establish and amend the benefit provisions of the plans. The Police and Fire pension plans do not issue stand-alone financial reports.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Police and Fire Pensions - Single Employer Plans (Continued)

Plan Descriptions (Continued)

The number of employees covered and current memberships are classified in the following categories:

	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits	47	37
Vested terminated employees	-	1
Active employees:		
Fully vested	55	37
Nonvested	22	27

For Town employees covered under the Police and Fire pension trusts hired before January 1, 2013 and who retire at or after the age of 50 with 20 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50 percent of their monthly salary attached to the rank held by them at retirement or one year prior to the last day, whichever is greater. For creditable service over 20 years, the monthly fire and police pension is increased 1/12 of 2.5 percent for each additional month up to 30 years of service, not to exceed 75 percent of their salary. These trusts also provide death and disability benefits.

For Police and Fire participants that retire at age 60 or more and have at least 8 but less than 20 years of creditable service, a pension is payable for life equal to years of creditable service multiplied by 2 ½ percent of the salary attached to the rank on the last day of service or one year prior, whichever is greater.

For Town employees covered under the Police and Fire Pension Trust, hired after January 1, 2011, who retire at or after age 50 with 10 or more years creditable service are entitled to a monthly pension equal to 2 ½ percent of the final average salary for each year of creditable service, subject to the maximum of 75 percent of salary. The final average salary shall not exceed \$106,800, which shall be adjusted annually by statute. The benefit will be reduced by ½ of 1 percent for month that the participant's age is under 55.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Police and Fire Pensions - Single Employer Plans (Continued)

Contributions and Funding

Police pension plan members are required to contribute 9.91 percent of their annual salary to the Police Pension Trust, and Fire pension plan members are required to contribute 9.455 percent of their annual salary to the Fire Pension Trust. Tier two benefits are provided to those participants hired on or after January 1, 2011. Tier two benefits are capped on the first \$106,800 of pensionable salary (cap may be adjusted annually by statute). The Town is required to contribute the remaining amounts necessary to fund the trusts using the actuarial basis specified by statute. Contribution requirements of the plan members are established and may be amended by the Illinois General Assembly.

The pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of plan net assets. Pension trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in plan net position. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

Administrative costs of the plans are financed through investment earnings. Actuarial assumptions and other information used to determine the annual required contributions (ARC) are located in the Required Supplementary Information section of this report.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Police and Fire Pensions - Single Employer Plans (Continued)

Annual Pension Cost and Net Pension Obligation and Reserves

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Actual Valuation Date	April 1, 2014	April 1, 2014
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Asset Valuation Method	Adjusted Market Value	Adjusted Market Value
Amortization Method	Level Percentage of Pay	Level Percentage of Pay
Amortization Period	26 Years	26 Years
Rate of Return on Present and Future Assets	6.75% Compounded Annually,	6.75% Compounded Annually,
Projected Salary Increase - Attributable to Inflation	3.00% Compounded Annually plus additional increases at various service dates	3.00% Compounded Annually plus additional increases at various service dates

Police Pension Fund:

Annual required contribution for year beginning April 1, 2013	\$ 1,652,435
Interest on net pension obligation as of April 1, 2013	(107,356)
Adjustment to annual required contribution for year beginning April 1, 2013	<u>(72,053)</u>
Annual pension cost for year beginning April 1, 2013	1,617,132
Contributions made for year beginning April 1, 2013	<u>1,404,941</u>
Increase in net pension obligation (asset) as of March 31, 2014	212,191
Net pension obligation (asset) as of April 1, 2013	<u>(1,590,462)</u>
Net pension obligation (asset) as of March 31, 2014	<u>\$ (1,378,271)</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Police and Fire Pensions - Single Employer Plans (Continued)

Annual Pension Cost and Net Pension Obligation and Reserves (Continued)

Fire Pension Fund:

Annual required contribution for year beginning April 1, 2013	\$ 1,378,339
Interest on net pension obligation (asset) as of April 1, 2013	(81,954)
Adjustment to annual required contribution for year beginning April 1, 2013	<u>(55,004)</u>
Annual pension cost for year beginning April 1, 2013	1,351,389
Contributions made for year beginning April 1, 2013	<u>1,097,770</u>
Increase in net pension obligation (asset) as of March 31, 2014	253,619
Net pension obligation (asset) as of April 1, 2013	<u>(1,214,137)</u>
Net pension obligation (asset) as of March 31, 2014	<u>\$ (960,518)</u>

Reserves

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan. The plans held no individual investments (other than U.S. Government and U.S. Government guaranteed obligations) whose market value exceeds 5 percent or more of net assets available for benefits. There are no long-term contracts for contributions.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Police and Fire Pensions - Single Employer Plans (Continued)

Three Year Trend Information and Funding Status

Police Pension Fund			
Year Ended <u>March 31,</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2014	\$ 1,617,132	86.90%	\$(1,378,271)
2013	1,302,972	106.80	(1,590,462)
2012	1,346,865	100.00	(1,501,400)

As of April 1, 2014, the most recent actuarial valuation date, the Police Pension Plan was 60.66 percent funded. The actuarial accrued liability for benefits was \$52,900,302 and the actuarial value of assets was \$32,089,959, resulting in an underfunded actuarial accrued liability (UAAL) of \$20,810,343. The covered payroll of active employees covered by the plan was \$5,651,432 and the ratio of the UAAL to the covered payroll was 368.23 percent.

Fire Pension Fund			
Year Ended <u>March 31,</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2014	\$ 1,351,389	81.20%	\$ (960,518)
2013	1,055,868	96.60	(1,214,137)
2012	998,160	131.10	(1,249,726)

As of April 1, 2014 the most recent actuarial valuation date, the Fire Pension Plan was 62.40 percent funded. The actuarial accrued liability for benefits was \$45,042,791 and the actuarial value of assets was \$28,106,125, resulting in an underfunded actuarial accrued liability (UAAL) of \$16,936,666. The covered payroll of active employees covered by the plan was \$4,570,653 and the ratio of the UAAL to the covered payroll was 370.55 percent.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Police and Fire Pensions - Single Employer Plans (Continued)

Three Year Trend Information and Funding Status (Continued)

The schedule of funding progress for the Police and Fire Pension Funds, included as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Financial Statements

Statement of Fiduciary Net Position

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 753,490	\$ 454,522	\$ 1,208,012
Investments, at fair value:			
Certificates of deposit	250,000	2,000,000	2,250,000
Pooled investment accounts	8,260,078	645,471	8,905,549
U.S. Government obligations	3,367,388	9,851,109	13,218,497
Corporate Bonds	485,355	955,068	1,440,423
Mutual funds	15,754,513	11,304,830	27,059,343
Equities	<u>1,753,565</u>	<u>1,351,703</u>	<u>3,105,268</u>
Total investments	<u>29,870,899</u>	<u>26,108,181</u>	<u>55,979,080</u>
Receivables:			
Interest	12,887	62,212	75,099
Taxes	<u>11,918</u>	<u>9,311</u>	<u>21,229</u>
Total receivables	<u>24,805</u>	<u>71,523</u>	<u>96,328</u>
Total assets	30,649,194	26,634,226	57,283,420
Liabilities	<u>132</u>	<u>62</u>	<u>194</u>
Net position, held in trust for pension benefits	<u>\$ 30,649,062</u>	<u>\$ 26,634,164</u>	<u>\$ 57,283,226</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Police and Fire Pensions - Single Employer Plans (Continued)

Financial Statements (Continued)

Statement of Changes in Fiduciary Net Position

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
Additions:			
Contributions - employer	\$ 1,404,157	\$ 1,096,480	\$ 2,500,637
Contributions - members	<u>560,547</u>	<u>430,468</u>	<u>991,015</u>
Total contributions	<u>1,964,704</u>	<u>1,526,948</u>	<u>3,491,652</u>
Investment income:			
Interest	936,300	920,529	1,856,829
Net appreciation in fair value of investments	<u>1,982,558</u>	<u>1,137,965</u>	<u>3,120,523</u>
Total investment income	2,918,858	2,058,494	4,977,352
Less investment expense	<u>(23,681)</u>	<u>(51,343)</u>	<u>(75,024)</u>
Net investment income	<u>2,895,177</u>	<u>2,007,151</u>	<u>4,902,328</u>
Total additions	<u>4,859,881</u>	<u>3,534,099</u>	<u>8,393,980</u>
Deductions:			
Pension benefits	2,177,588	1,835,151	4,012,739
Refunds of contributions	1,065	-	1,065
Administrative expenses	<u>16,617</u>	<u>16,017</u>	<u>32,634</u>
Total deductions	<u>2,195,270</u>	<u>1,851,168</u>	<u>4,046,438</u>
Changes in net position	2,664,611	1,682,931	4,347,542
Net position held in trust for benefits, beginning of year	<u>27,984,451</u>	<u>24,951,233</u>	<u>52,935,684</u>
Net position held in trust for benefits, end of year	<u>\$ 30,649,062</u>	<u>\$ 26,634,164</u>	<u>\$ 57,283,226</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described in Note 6, the Town provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan (Retiree Healthcare Program). The benefits, benefit levels, employee contributions and employer contributions are governed by the Town and can be amended by the Town through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Town's governmental and business-type activities.

Benefits Provided

The Town provides continued medical and prescription drug coverage at the active employee rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree medical and prescription drug coverage. To be eligible for benefits, an employee must qualify for retirement under one of the Town's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree can choose to not participate in the plan or continue under the Town's plan at a Medicare Supplement rate.

Membership

The Town's Retiree Healthcare Program includes three employee groups: Those qualifying are police in the Town of Normal hired prior to November 1, 2008, firefighters in the Town of Normal hired prior to April 1, 1998, and other employees hired prior to June 1, 2007.

At April 1, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	100
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>232</u>
Total	<u>332</u>
Participating employers	<u>1</u>

Funding Policy

The Town is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy (Continued)

Premium cost sharing arrangements vary. Police and fire retirees contribute 100 percent of the blended retiree and/or spouse rate under the age of 50, 50 percent of the blended retiree rate for retirees age 50 to 64, and 80 percent of the blended spouse rate for spouses age 50 to 64. Other retirees contribute 100 percent of the blended retiree and/or spouse rate under the age of 55, 50 percent of the blended retiree rate for retirees age 55 to 64, and 80 percent of the blended spouse rate for spouses age 55 to 64. All retiree and spouse contributions are reduced by actual Medicare premium payments upon attainment of age 65.

Annual OPEB Costs and Net OPEB Obligation

The Town's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the Town, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC is the periodic required contribution to fund the postemployment health care benefits of both active and retired employees, calculated in accordance with GASB Statement No. 45. It includes both the value of benefits earned during the year (normal cost) and an amortization of the unfunded actuarial accrued liability. Although there is no requirement to make contributions equal to the ARC, it serves as the starting point for determining the annual OPEB cost.

The Town had an actuarial valuation performed for the plan as of April 1, 2013 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended March 31, 2014. The annual OPEB cost is the amount the Town charges as the cost of the postemployment health care benefits each fiscal year. If there is no net OPEB obligation, then the annual OPEB cost is equal to the ARC. However, if there is a net OPEB obligation, the annual OPEB cost reflects adjustment for interest on the net OPEB obligation. The Town's annual OPEB cost (expense) of \$3,128,902 was \$225,814 more than the ARC for the fiscal year 2014, due to interest or prior OPEB obligations and actuarial adjustments for prior underpayments. The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended March 31 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
March 31, 2014	\$ 3,128,902	\$ 333,652	10.7%	\$11,562,957
March 31, 2013	2,634,628	272,261	10.3	8,767,707
March 31, 2012	2,597,496	263,159	10.1	6,405,340

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of April 1, 2014 was calculated as follows:

Annual required contribution	\$ 3,354,716
Interest on net OPEB obligation	263,031
Adjustment to annual required contribution	<u>(488,845)</u>
Annual OPEB cost	3,128,902
Contributions made	<u>333,652</u>
Increase in net OPEB obligation	2,795,250
Net OPEB obligation, beginning of year	<u>8,767,707</u>
Net OPEB obligation, end of year	<u>\$11,562,957</u>

The net OPEB obligation is the difference between the annual OPEB cost and the Town's contributions to the plan since the implementation date.

Funded Status and Funding Progress. The funded status of the plan as of April 1, 2014, was as follows:

Actuarial accrued liability (AAL)	\$ 36,657,966
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 36,657,966
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 17,661,608
UAAL as a percentage of covered payroll	207.56%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed twenty-six year period.

In the April 1, 2013 actuarial valuation, the projected unit credit cost method was used.

Medical Inflation Rate Baseline. This set of medical inflation rates was developed by the Town's actuaries. To show the sensitivity of the results to this assumption, the actuaries looked at the impact of an increase or decrease of 1.00 percent on these rates.

Initial inflation rate	7.50%
Ultimate inflation rate	4.30%
1st Year	5.90%
5th Year	5.60%
10th Year	5.60%
20th Year	5.40%
50th Year	4.90%

Discount Rate. The discount rate as of April 1, 2013 is 3.00 percent based on the estimated long-term rate of return.

Actuarial Cost Method. The method used to calculate normal cost and actuarial accrued liability is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in medical claims and the effect of medical contributions and Medicare reimbursement. The total present value of projected benefits is the sum of the present values for each decrement age.

The actuarial accrued liability is calculated by prorating the present value of projected benefits by service at the valuation date over service projected to the date of decrement.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Costs and Net OPEB Obligation (Continued)

The normal cost is the present value of projected benefits attributable to the valuation year.

The actuarial value of assets was not determined as the Town has not advance funded its obligation.

NOTE 8 - JOINT VENTURES

Connect Transit

The Town, together with the City of Bloomington (City), participates in the Connect Transit (Connect), whose purpose is to provide public transportation within the corporate limits of the two governmental entities. Connect engages in a wide variety of activities necessary for operation of a transit system. The governing board is divided between City and Town representatives and is funded primarily through federal and state governmental assistance. Other revenue sources include fares and contractual fees. Any deficits incurred by Connect are to be made up by the City and Town in accordance with a prescribed formula. In accordance with the joint governing agreement, the Town remitted \$379,186 to Connect during the year ended March 31, 2014. The Town has no equity interest nor does the Town materially contribute to the continued existence of Connect. The Town's interests are other than financial.

Connect's fiscal year end is June 30. Separate audited financial statements for Connect are available by contacting Mr. Andrew Johnson, General Manager, Connect Transit, 351 Wylie Drive, Normal, IL, 61761.

Metcom Centralized Communications Center

The Town, together with McLean County (County), participates in the Metcom Centralized Communications Center (Center), whose purpose is to provide the means necessary and appropriate for the establishment, operation, and maintenance of a joint nonemergency police, fire, and other nonemergency services communication system for the mutual benefit of the members of the venture. The governing board is divided between County and Town representatives and is funded primarily through contributions from the members and other contractual fees for service provided to other governmental units. In accordance with the joint governing agreement, the Town remitted \$836,644 to the Center during the year ended March 31, 2014. The Town has no equity interest.

The Center's fiscal year end is December 31. Separate audited financial statements for the Center are available as part of the McLean County financial statements by contacting the Office of the County Administrator, P.O. Box 2400, Bloomington, IL 61702-2400.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 9 - RISK MANAGEMENT

Municipal Insurance Cooperative Agency

The Town is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. During fiscal year 1986, the Town entered the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool operating a common risk management and insurance program for its member governments. MICA provides coverage to its members with the following limits: \$400 million on property claims, \$10 million on general liability claims, and \$550,000 on crime claims. MICA provides coverage on workman's compensation claims on amounts in excess of \$500,000. MICA purchases commercial insurance for coverage in excess of the self-insured reserve (SIR) limits. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The following Town funds make payments to MICA based on experience factors as determined by MICA: General, Water, and Sewer. Premium payments to MICA are accounted for as current year expenditures/expenses in the financial statements of the Town.

Health and Dental Insurance Fund

The Town is exposed to risks of loss related to illnesses of employees. The Town is self-insured for these risks. The Town accounts for the self-insured activities in the Health and Dental Insurance Fund (Fund), which is accounted for as an internal service fund. The Fund provides coverage up to a maximum \$150,000 per occurrence with no aggregate stop-loss limit and has supplemental per-occurrence coverage for all amounts over \$150,000 with a commercial carrier. The Town establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. A liability for a claim is established if information indicates that it is probable a liability has been incurred and the amount of the loss is reasonably estimable. The amount of settlements has not exceeded this coverage in any of the past three fiscal years.

Unpaid Claims Liabilities

The following represents the changes in approximate liabilities for the aggregate Town from April 1, 2012 to March 31, 2014:

Liability for unpaid health/dental claims April 1, 2012	\$ 215,739
Incurred claims	3,925,547
Claim payments	<u>(3,602,796)</u>
Liability for unpaid health/dental claims March 31, 2013	538,490
Incurred claims	4,740,827
Claim payments	<u>(5,015,676)</u>
Liability for unpaid health/dental claims March 31, 2014	<u>\$ 263,641</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 10 - MAJOR CUSTOMERS

Charges for services in the Water Fund for the year ended March 31, 2014 included charges to Illinois State University for \$1,031,169, which accounted for more than 10 percent of the total charges for services in this fund.

Consumer's accounts receivable due from Illinois State University was \$172,411 for the Water Fund as of March 31, 2014.

NOTE 11 - COMMITMENTS

Construction Commitments

At fiscal year end, the Town had the following construction commitments:

Multimodal Transportation Center	\$ 82,422
Vernon Avenue Bridge	141,768
Broadway Avenue	63,440
College Avenue/Mulberry Street	170,247
Multimodal Pedestrian overpass	270,088
2012-13 Street resurfacing	23,844
Sugar Creek Stream bank stabilization	61,792
Northtown Road-Linden to Towanda	955,240
2014 Sidewalks	20,994
Lighting at Fairview Park	22,365
Shepard Park Parking Lot Expansion	33,310
Osage Street Reconstruction	175,983
Main Street Water Main Replacement	687,825
Well No. 19	44,950
ISU Art Gallery	<u>1,380,791</u>
Total construction commitments	<u>\$ 4,135,059</u>

Operating Leases

The Town is obligated under eight leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the Town's statement of net position.

The Town leases photocopy machines and pays quarterly installments of no less than \$12,885 and the lease agreement matures on December 29, 2013. The Town made lease payments of \$51,540 for the year ended March 31, 2014. The Town entered into a new lease agreement with Ricoh for a period of 5 years, effective April 1, 2014, with a monthly payment of \$1,256.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 11 - COMMITMENTS (CONTINUED)

Operating Leases (Continued)

The Town also leases a police substation. The Town pays monthly installments of \$1,350 for the period from June 2012 through May 2013, and \$1,360 monthly for the period from June 2013 through May 2014. The lease matures on May 31, 2014. The Town made lease payments of \$16,300 for the year ended March 31, 2014. The lease was extended with an additional term commencing from June 1, 2014 and expiring on May 31, 2016. The monthly payments are \$1,400.

The Town is obligated under agreements to lease six Mitsubishi electric cars. The leases mature on December 28, 2014. The Town pays cumulative monthly installments of \$690. The Town made lease payments of \$8,281 for the year ended March 31, 2014.

The following is a schedule by years of future minimum rental payments required under the operating leases:

Year Ending <u>March 31,</u>	<u>Amount</u>
2015	\$ 63,093
2016	31,883
2017	17,883
2018	15,083
2019	<u>13,826</u>
	<u>\$ 141,767</u>

Other

The Town received notice subsequent to year end that \$89,901 is due to the Illinois Department of Revenue related to inaccurate telecommunications taxes that were previously paid to the Town. This will be remitted in fiscal year 2015.

NOTE 12 - CONTINGENCIES

Federal and State Grants

In the normal course of operations, the Town receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 12 - CONTINGENCIES (CONTINUED)

Arbitrage

In accordance with the federal tax code, the Town calculates an estimated arbitrage rebate liability relating to the General Obligation Bonds. At March 31, 2014, no balance is reflected as a liability in the financial statements for future amounts that may be incurred.

Other

The Town is a defendant in lawsuits, which are currently being defended by the Town. The Town currently cannot estimate a probable outcome or potential liability; however, the Town believes that any liability from these lawsuits, if any, after applicable insurance coverage, would not have a material effect on the financial statements.

NOTE 13 - CONDUIT DEBT OBLIGATIONS

From time to time, the Town has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of March 31, 2014, there were two Series 2010 Solid Waste Disposal Revenue bonds outstanding with an aggregate principal amount payable of approximately \$4,599,000.

NOTE 14 - COMPONENT UNIT - NORMAL PUBLIC LIBRARY

Deposits and Investments

The Normal Public Library (the Library) follows the investment policy of the Town to invest in obligations of the U.S. Treasury and other U.S. agencies, banker's acceptance, repurchase agreements, commercial paper, mutual funds, and the Illinois Funds. See Note 2 for additional disclosures regarding cash and investments.

Deposits

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the Library's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the Library follows the Town's policy as described in Note 2. At March 31, 2014, none of the Library's deposits were exposed to custodial credit risk.

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 14 - COMPONENT UNIT - NORMAL PUBLIC LIBRARY (CONTINUED)

Deposits and Investments (Continued)

Investments

As of March 31, 2014, the Library had the following investments and maturities of debt securities:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity Less than 1</u>	<u>Rating</u>
IMET Convenience	\$ 1,938,895	\$ 1,938,895	Not Rated

Illinois Metropolitan Investment Fund (IMET) is a nonprofit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Town will not be able to recover the value of its investments that are in possession of an outside party. IMET funds are not subject to custodial credit risk.

Property Taxes

Property taxes receivable represents the 2013 levy that is due and collectible in the 2014-2015 fiscal year. The 2013 levy was adopted in November 2013. Property taxes attach as an enforceable lien on the property as of January 1 and are due and collectible in June and September of the fiscal year following the 2013 tax levy. For the Library, these property taxes are not available for current year operations and are, therefore, shown as deferred inflows. No allowance is provided for uncollectible taxes, which is immaterial to the financial statements. The 2014 levy has not been recorded as a receivable in accordance with GASB Statement No. 33, *Accounting for Nonexchange Transactions*. While the levy attached as a lien as of January 1, 2014, the taxes will not be levied by the Town or extended by the County until December 2014 and, therefore, the amount is not measurable at March 31, 2014.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 14 - COMPONENT UNIT - NORMAL PUBLIC LIBRARY (CONTINUED)

Capital Assets

During the year ended March 31, 2014, Library capital assets acquisitions and disposals were as follows:

	<u>Balances April 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances March 31</u>
Capital assets not being depreciated:				
Land	\$ 126,211	\$ -	\$ -	\$ 126,211
Total capital assets not being depreciated	126,211	-	-	126,211
Capital assets being depreciated:				
Buildings and improvements	2,654,735	-	-	2,654,735
Equipment	<u>2,414,470</u>	<u>-</u>	<u>-</u>	<u>2,414,470</u>
Total capital assets being depreciated	<u>5,195,416</u>	<u>-</u>	<u>-</u>	<u>5,195,416</u>
Less accumulated depreciation for:				
Buildings and improvements	1,453,576	70,116	-	1,523,692
Equipment	<u>2,339,144</u>	<u>14,508</u>	<u>-</u>	<u>2,353,652</u>
Total accumulated depreciation	<u>3,792,720</u>	<u>84,624</u>	<u>-</u>	<u>3,877,344</u>
Total capital assets, net of accumulated depreciation	<u>\$ 1,402,696</u>	<u>\$ 84,624</u>	<u>\$ -</u>	<u>\$ 1,318,072</u>

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 14 - COMPONENT UNIT - NORMAL PUBLIC LIBRARY (CONTINUED)

Summary Financial Information

The following is summary fund financial information for the Normal Public Library for the fiscal year ended March 31, 2014, on a modified accrual basis reconciled to full-accrual:

	<u>General Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 990,960
Investments, at fair value	1,938,895
Receivables:	
Property taxes	3,661,000
Other	<u>97,503</u>
Total assets	<u>\$ 6,688,358</u>
Liabilities:	
Accounts and contracts payable	\$ 76,327
Accrued liabilities	<u>148,600</u>
Total liabilities	<u>224,927</u>
Deferred inflows:	
Deferred property tax	<u>3,661,000</u>
Fund balances:	
Restricted for library development	546,364
Unrestricted	<u>2,256,067</u>
Total fund balances	<u>2,802,431</u>
Total liabilities and fund balances	<u>\$ 6,688,358</u>
Reconciliation to the Statement of Net Position:	
Total component unit fund balance	\$ 2,802,431
Capital assets	1,318,072
Long-term compensated absences payable	<u>(793,604)</u>
	<u>\$ 3,326,899</u>

**TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 14 - COMPONENT UNIT - NORMAL PUBLIC LIBRARY (CONTINUED)

Summary Financial Information (Continued)

Revenues:	
Property taxes	\$ 3,608,949
Other taxes	146,325
Operating grants and contributions	71,396
Charges for services	65,133
Investment income	8,237
Miscellaneous	<u>22,814</u>
Total revenues	<u>3,922,854</u>
Expenditures:	
Current operating:	
Culture and recreation	<u>3,432,284</u>
Total expenditures	<u>3,432,284</u>
Revenue over (under) expenditures	<u>\$ 490,570</u>
Reconciliation to the Statement of Activities:	
Net change in fund balance	\$ 490,570
Depreciation expense	<u>(84,624)</u>
Change in net position of component unit	<u>\$ 405,946</u>

NOTE 15 - STATEMENT OF NET POSITION DETAILS (GOVERNMENTAL ACTIVITIES)

Other receivables consist of the following as of March 31, 2014:

Grants receivable	\$ 760,956
Other receivables	<u>2,135,147</u>
Total	<u>\$ 2,896,103</u>

Due from other governmental agencies consists of the following as of March 31, 2014:

Due from State of Illinois	<u>\$ 5,480,909</u>
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TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 16 - OTHER REQUIRED DISCLOSURES

Expenditures in Excess of Budget and Deficit Fund Balances

The following funds had expenditures in excess of budgeted amounts for the year ended March 31, 2014:

- Capital Investment Fund
- Uptown TIF Fund
- 2012 Refunding Bond Fund

No funds had a deficit fund balance for the year ended March 31, 2014.

NOTE 17 - FUTURE CHANGE IN ACCOUNTING PRINCIPLES

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may effect these financial statements in future periods. The Town has not determined the effect, if any, on future financial statements. Listed below are the statements and short summary of the standard's objective.

New accounting standards effective for the March 31, 2015 financial statements include:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, amends Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to revise and establish new financial reporting requirements for most governments that provide pension benefits.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – and Amendment of GASB statement No. 68*, issued November 2013. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

TOWN OF NORMAL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 18 - RESTATEMENT OF NET POSITION

The Town adopted a new accounting standard to conform with generally accepted accounting principles. The statement adopted requiring restatement of net position was Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*. With the implementation of the new GASB pronouncement, assets related to bond issuance costs that were previously being amortized are now being expensed.

Accordingly, the Town's net position as of April 1, 2013 has been restated as follows:

	<u>Governmental Activities</u>
Net position, April 1, 2013, as previously reported	\$109,814,055
Adjustment to reflect implementation of GASB Pronouncement	<u>(908,112)</u>
Net position, April 1, 2013, as restated	<u>\$108,905,943</u>

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF NORMAL, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
March 31, 2014**

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(3) Funded Ratio (1) / (2)	(5) Covered Payroll	UAAL (Overfunded) as a Percentage of Covered Payroll (4) / (5)
12/31/13	\$ 60,530,569	\$ 73,548,032	\$ 13,017,463	82.30%	\$ 15,249,925	85.36%
12/31/12	54,961,696	68,943,477	13,981,781	79.72%	14,729,385	94.92%
12/31/11	50,716,212	64,366,172	13,649,960	78.79%	13,957,263	97.80%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$39,083,605.
On a market basis, the funded ratio would be 85.59 percent.

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded Actuarial Accrued Liability (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b - a) / c)
4/1/13	\$ -	\$ 36,658,000	\$ 36,658,000	0.00%	\$ 17,661,608	207.56%
4/1/12	-	27,284,000	27,284,000	0.00%	18,014,398	151.46%
4/1/11	-	25,892,000	25,892,000	0.00%	17,823,794	145.27%
4/1/10	-	14,457,000	14,457,000	0.00%	16,375,489	88.28%
4/1/09	-	13,666,000	13,666,000	0.00%	15,608,231	87.56%
4/1/08	-	14,076,000	14,076,000	0.00%	15,016,649	93.74%

Information for years prior to 4/1/08 is not available as the Town implemented Governmental Accounting Standards Board Statement No. 45 for fiscal year 2009.

**TOWN OF NORMAL, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
March 31, 2014**

POLICE PENSION PLAN

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(3) Funded Ratio (1) / (2)	(5) Covered Payroll	UAAL (Overfunded) as a Percentage of Covered Payroll (4) / (5)
4/1/14	\$ 32,089,959	\$ 52,900,302	\$ 20,810,343	60.66%	\$ 5,651,432	368.23%
4/1/13	30,321,018	50,331,358	20,010,340	60.24%	5,568,551	359.35%
4/1/12	28,946,004	46,156,560	17,210,556	62.71%	5,158,720	333.62%
4/1/11	26,875,772	43,289,344	16,413,572	62.08%	5,227,568	313.98%
4/1/10	25,946,500	41,015,756	15,069,256	63.26%	4,909,981	306.91%
4/1/09	24,840,723	37,529,870	12,689,147	66.19%	4,692,590	270.41%
4/1/08	23,854,028	34,925,498	11,071,470	68.30%	4,491,039	246.52%
4/1/07	22,047,499	32,195,594	10,148,095	68.48%	4,316,027	235.13%
4/1/06	19,440,340	29,985,946	10,545,606	64.83%	4,097,356	257.38%

FIREFIGHTERS' PENSION PLAN

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability - (AAL) - Entry Age	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(3) Funded Ratio (1) / (2)	(5) Covered Payroll	UAAL (Overfunded) as a Percentage of Covered Payroll (4) / (5)
4/1/14	\$ 28,106,125	\$ 45,042,791	\$ 16,936,666	62.40%	\$ 4,570,653	370.55%
4/1/13	26,609,766	42,392,256	15,782,490	62.77%	4,422,104	356.90%
4/1/12	25,450,705	39,190,475	13,739,770	64.94%	4,260,346	322.50%
4/1/11	23,888,534	37,122,665	13,234,131	64.35%	4,108,796	322.10%
4/1/10	22,489,738	33,298,706	10,808,968	67.54%	3,944,638	274.02%
4/1/09	21,419,935	31,553,518	10,133,583	67.88%	3,679,234	275.43%
4/1/08	20,941,407	29,006,774	8,065,367	72.19%	3,510,200	229.77%
4/1/07	19,713,346	26,563,661	6,850,315	74.21%	3,248,545	210.87%
4/1/06	17,598,530	24,089,662	6,491,132	73.05%	2,968,268	218.68%

**TOWN OF NORMAL, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
March 31, 2014**

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
12/31/13	\$ 2,070,940	\$ 2,070,940	100.00%
12/31/12	1,935,441	1,935,441	100.00%
12/31/11	1,704,182	1,727,909	98.63%

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Covered Payroll
4/1/13	\$ 333,652	\$ 3,128,902	10.66%	\$ 17,661,608
4/1/12	272,261	2,666,669	10.21%	18,014,398
4/1/11	263,159	2,686,760	9.79%	17,823,794
4/1/10	243,762	1,510,816	16.13%	16,375,489
4/1/09	204,811	1,463,264	14.00%	15,608,231
4/1/08	167,346	1,706,124	9.81%	15,016,649

Information for years prior to 4/1/08 is not available as the Town implemented Governmental Accounting Standards Board Statement No. 45 for fiscal year 2009.

The method used to calculate normal cost is the projected unit credit cost method as disclosed in Note 7 to the financial statements.

**TOWN OF NORMAL, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
March 31, 2014**

POLICE PENSION PLAN

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2014	\$ 1,404,941	\$ 1,652,435	85.02%	\$ (1,378,271)
2013	1,392,033	1,339,855	103.89%	(1,590,462)
2012	1,347,634	1,398,538	96.36%	(1,501,400)
2011	1,349,141	1,310,713	102.93%	(1,500,631)
2010	1,331,772	1,115,040	119.44%	(1,426,632)
2009	1,318,482	1,011,489	130.35%	(1,209,900)
2008	1,299,735	1,312,912	99.00%	(890,509)
2007	1,180,853	1,149,488	102.73%	(77,417)

FIREFIGHTERS' PENSION PLAN

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2014	\$ 1,097,770	\$ 1,378,339	79.64%	\$ (960,518)
2013	1,020,279	1,086,570	93.90%	(1,214,437)
2012	1,308,803	1,030,497	127.01%	(1,249,726)
2011	1,254,338	1,270,889	98.70%	(932,083)
2010	1,232,953	1,170,232	105.36%	(932,386)
2009	1,134,302	996,294	113.85%	(848,508)
2008	1,112,098	1,049,016	106.01%	(702,286)
2007	1,069,607	1,045,177	102.34%	(60,960)

TOWN OF NORMAL, ILLINOIS

**GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 674,900	\$ 651,692	\$ 691,003	\$ 39,311
Taxes:				
Property	6,267,000	6,267,000	6,259,932	(7,068)
Local sales	9,147,981	9,178,000	8,903,125	(274,875)
Vehicle use tax	418,000	420,000	463,269	43,269
Local liquor	879,000	850,000	846,393	(3,607)
Food/beverage	2,250,075	2,154,000	2,155,633	1,633
Road and bridge	327,500	348,056	342,222	(5,834)
Utility	4,838,807	4,852,600	4,842,617	(9,983)
Franchise	900,000	900,000	960,736	60,736
Hotel/motel	1,394,472	1,407,000	1,332,650	(74,350)
Off track betting	48,000	48,000	77,126	29,126
Foreign fire insurance	33,000	34,678	34,678	-
Intergovernmental:				
State income tax	5,438,111	5,774,000	6,034,887	260,887
State sales tax	8,592,673	8,797,000	8,506,631	(290,369)
State replacement tax	209,300	222,012	253,798	31,786
State and federal grants	28,000	33,124	35,574	2,450
Charges for services	8,030,981	8,081,271	8,853,481	772,210
Fines and fees	1,878,800	1,857,050	1,994,749	137,699
Investment income	46,165	65,360	66,785	1,425
Miscellaneous	<u>2,045,576</u>	<u>2,432,236</u>	<u>2,417,654</u>	<u>(14,582)</u>
Total revenues	<u>53,448,341</u>	<u>54,373,079</u>	<u>55,072,943</u>	<u>699,864</u>
 EXPENDITURES				
Current:				
General government:				
Mayor and Council	124,045	136,050	123,199	12,851
Administration	1,163,948	1,190,606	1,155,647	34,959
Town Clerk	299,754	289,990	271,293	18,697
Corporation Counsel	445,086	443,401	436,048	7,353
Boards and Commissions	42,905	73,555	56,987	16,568

TOWN OF NORMAL, ILLINOIS

**GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONTINUED)				
Current (Continued):				
General government (Continued):				
Facility management	\$ 1,508,131	\$ 1,614,621	\$ 1,560,389	\$ 54,232
Finance	2,192,942	1,997,066	1,948,347	48,719
Information technology	1,809,423	1,948,995	1,700,674	248,321
Human resources	514,952	379,251	352,073	27,178
Equipment maintenance	<u>862,583</u>	<u>922,756</u>	<u>911,742</u>	<u>11,014</u>
Total general government	<u>8,963,769</u>	<u>8,996,291</u>	<u>8,516,399</u>	<u>479,892</u>
Public safety:				
Police Department	10,988,595	11,301,102	11,081,426	219,676
Fire Department	7,458,708	8,469,851	8,468,870	981
Fire Prevention Department	311,790	309,334	307,423	1,911
Foreign Fire Tax	33,500	45,300	26,683	18,617
Inspection Department	<u>1,233,114</u>	<u>1,255,839</u>	<u>1,221,995</u>	<u>33,844</u>
Total public safety	<u>20,025,707</u>	<u>21,381,426</u>	<u>21,106,397</u>	<u>275,029</u>
Highway and streets:				
Public Works	4,171,938	4,204,977	3,928,246	276,731
Engineering Division	1,048,519	1,016,995	993,088	23,907
Road and Bridge Division	<u>1,312,580</u>	<u>542,002</u>	<u>541,156</u>	<u>846</u>
Total highway and streets	<u>6,533,037</u>	<u>5,763,974</u>	<u>5,462,490</u>	<u>301,484</u>
Sanitation:				
Waste Department	<u>2,782,677</u>	<u>2,766,335</u>	<u>2,666,584</u>	<u>99,751</u>

TOWN OF NORMAL, ILLINOIS

**GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

EXPENDITURES (CONTINUED)	Budget		Actual	Variance
	Original	Final		
Current (Continued):				
Culture and recreation:				
Administration Division	\$ 1,186,121	\$ 1,203,875	\$ 1,188,624	\$ 15,251
Parks Division	3,163,830	3,264,839	2,995,041	269,798
Recreation/before and after school programs	433,642	426,995	404,317	22,678
Recreation/athletic programs	301,184	272,278	266,203	6,075
Recreation/youth programs	257,315	244,920	221,813	23,107
Recreation/teen programs	116,165	115,525	96,060	19,465
Recreation/special events	15,960	15,960	13,896	2,064
Aquatics	930,730	942,300	917,683	24,617
Softball Tournament	243,603	267,420	263,094	4,326
Community Activity Center	38,050	39,950	36,021	3,929
Normal Theater	294,683	378,492	321,110	57,382
Children's Discovery Museum	1,302,921	1,228,758	1,224,930	3,828
Golf course	489,353	486,728	461,273	25,455
Golf course maintenance	417,688	420,340	407,730	12,610
Total culture and recreation	9,191,245	9,308,380	8,817,795	490,585
Community development:				
General Improvements Division	4,132,357	3,759,905	3,625,172	134,733
Public Benefits Division	51,300	19,112	19,107	5
Total community development	4,183,657	3,779,017	3,644,279	134,738
Total expenditures	51,680,092	51,995,423	50,213,944	1,781,479
Excess of revenues over expenditures	1,768,249	2,377,656	4,858,999	2,481,343

TOWN OF NORMAL, ILLINOIS

**GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	Budget		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 7,129,400	\$ 7,176,191	\$ 1,093	\$ (7,175,098)
Transfers out	<u>(10,030,104)</u>	<u>(12,653,921)</u>	<u>(6,042,891)</u>	<u>6,611,030</u>
Total other financing sources (uses)	<u>(2,900,704)</u>	<u>(5,477,730)</u>	<u>(6,041,798)</u>	<u>(564,068)</u>
Net change in fund balance	<u>\$ (1,132,455)</u>	<u>\$ (3,100,074)</u>	(1,182,799)	<u>\$ 1,917,275</u>
 FUND BALANCES, BEGINNING			<u>26,563,833</u>	
 FUND BALANCES, ENDING			<u>\$ 25,381,034</u>	

TOWN OF NORMAL, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2104

NOTE 1 - BUDGETARY DATA

A. Budget Policy and Practice

The Town adopts annual budgets for all funds except for the Enterprise Funds (Water Fund, Sewer Fund, and Storm Water Management Fund) and the Internal Service Fund (Health and Dental Insurance Fund). The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to February 1, the City Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to March 31, the annual operating budget is legally enacted through passage of an ordinance. Passage of the annual budget is done in lieu of an appropriation ordinance as permitted by the Illinois Compiled Statutes.

B. Budgetary Control

Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. Budget transfers between departments within any fund can be made with a majority vote of the Town Council. The Town Council must approve any revisions that alter the total expenditures of any fund. The level of control (level at which expenditures may not exceed budget) is the department total, not the individual line items.

The Town Council, by a majority vote, may amend the legally adopted budget when unexpected modifications are required in the estimated revenues and expenditures. The Council throughout the year approved revisions to the budget in this manner. These changes are reflected in the budgetary figures included in the accompanying financial statements. Individual amendments were not material in relation to the original appropriations, which were amended.

C. Basis of Accounting

All budgets are adopted on a modified accrual basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year end.

TOWN OF NORMAL, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2014

NOTE 1 - BUDGETARY DATA (CONTINUED)

D. Expenditures in Excess of Budget and Deficit Fund Balances

No major funds had expenditures in excess of budgeted amounts for the year ended March 31, 2014.

No funds had a deficit fund balance for the year ended March 31, 2014.

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
March 31, 2014**

	Special Revenue		
	Motor Fuel Tax	Community Development	Fed Equity Sharing
ASSETS			
Cash and cash equivalents	\$ 1,003,123	\$ 5,036	\$ 15,180
Investments at fair value	3,984,918	-	-
Receivables:			
Property taxes	-	-	-
Other	-	431,321	-
TOTAL ASSETS	\$ 4,988,041	\$ 436,357	\$ 15,180
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 100,921	\$ 15,425	\$ -
Deferred inflows:			
Subsequent year property taxes	-	418,896	-
Total liabilities and deferred inflows	100,921	434,321	-
Fund balances:			
Restricted for:			
Debt service	-	-	-
TIF redevelopment	-	-	-
Law enforcement	-	-	15,180
Highways and streets	4,887,120	-	-
Community development	-	2,036	-
Committed to:			
Recreation	-	-	-
Assigned to:			
Encumbrances	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total fund balances	4,887,120	2,036	15,180
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 4,988,041	\$ 436,357	\$ 15,180

Capital Projects

<u>Park Land Dedication</u>	<u>Capital Investment</u>	<u>Uptown Investment</u>	<u>Uptown TIF</u>	<u>Main and Osage TIF</u>	<u>One Normal Plaza</u>	<u>2004 Bond Fund</u>
\$ 261,162	1,805,205	\$ -	\$ -	\$ 49,915	\$ 41,049	\$ -
-	501,720	-	-	-	-	-
-	-	-	-	-	-	-
-	329,635	-	-	-	-	-
<u>\$ 261,162</u>	<u>\$ 2,636,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,915</u>	<u>\$ 41,049</u>	<u>\$ -</u>
\$ -	\$ 134,924	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	134,924	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	49,915	41,049	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
261,162	-	-	-	-	-	-
-	2,014	-	-	-	-	-
-	-	-	-	-	-	-
-	2,499,622	-	-	-	-	-
<u>261,162</u>	<u>2,501,636</u>	<u>-</u>	<u>-</u>	<u>49,915</u>	<u>41,049</u>	<u>-</u>
<u>\$ 261,162</u>	<u>\$ 2,636,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,915</u>	<u>\$ 41,049</u>	<u>\$ -</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
March 31, 2014**

	Debt Service			
	2005	2006	2007	2008
	<u>Bond Fund</u>	<u>Bond Fund</u>	<u>Bond Fund</u>	<u>Bond Fund</u>
ASSETS				
Cash and cash equivalents	\$ 11,971	\$ 613,409	\$ 944,666	\$ 463,089
Investments at fair value	110,179	-	314,782	-
Receivables:				
Property taxes	-	-	-	-
Other	-	-	-	-
	\$ 122,150	\$ 613,409	\$ 1,259,448	\$ 463,089
TOTAL ASSETS	<u>\$ 122,150</u>	<u>\$ 613,409</u>	<u>\$ 1,259,448</u>	<u>\$ 463,089</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -
Deferred inflows:				
Subsequent year property taxes	-	-	-	-
	-	-	-	-
Total liabilities	-	-	-	-
Fund balances:				
Restricted for:				
Debt service	122,150	612,620	1,259,448	462,875
TIF redevelopment	-	-	-	-
Law enforcement	-	-	-	-
Highways and streets	-	-	-	-
Community development	-	-	-	-
Committed to:				
Recreation	-	-	-	-
Assigned to:				
Encumbrances	-	-	-	-
Debt service	-	789	-	214
Capital projects	-	-	-	-
	122,150	613,409	1,259,448	463,089
Total fund balances	122,150	613,409	1,259,448	463,089
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 122,150</u>	<u>\$ 613,409</u>	<u>\$ 1,259,448</u>	<u>\$ 463,089</u>

Debt Service

<u>2009A</u> <u>Bond Fund</u>	<u>2009</u> <u>Bond Fund</u>	<u>2010A</u> <u>Bond Fund</u>	<u>2012</u> <u>Refunding</u> <u>Bond Fund</u>	<u>SSA</u> <u>College Hills</u> <u>Bond Fund</u>	<u>2013</u> <u>Bond Fund</u>	<u>Total</u>
\$ 230,572	\$ 872,194	\$ 64,946	\$ 238,997	\$ 1,079,231	\$ 244,597	\$ 7,944,342
-	-	-	-	-	-	4,911,599
-	-	-	-	477,133	-	477,133
-	-	-	-	-	-	760,956
<u>\$ 230,572</u>	<u>\$ 872,194</u>	<u>\$ 64,946</u>	<u>\$ 238,997</u>	<u>\$ 1,556,364</u>	<u>\$ 244,597</u>	<u>\$ 14,094,030</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,270
-	-	-	-	477,133	-	896,029
-	-	-	-	477,133	-	1,147,299
230,572	871,800	64,946	238,225	-	244,323	4,106,959
-	-	-	-	-	-	90,964
-	-	-	-	-	-	15,180
-	-	-	-	-	-	4,887,120
-	-	-	-	-	-	2,036
-	-	-	-	-	-	261,162
-	-	-	-	-	-	2,014
-	394	-	772	1,079,231	274	1,081,674
-	-	-	-	-	-	2,499,622
<u>230,572</u>	<u>872,194</u>	<u>64,946</u>	<u>238,997</u>	<u>1,079,231</u>	<u>244,597</u>	<u>12,946,731</u>
<u>\$ 230,572</u>	<u>\$ 872,194</u>	<u>\$ 64,946</u>	<u>\$ 238,997</u>	<u>\$ 1,556,364</u>	<u>\$ 244,597</u>	<u>\$ 14,094,030</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Year Ended March 31, 2014

	Motor Fuel Tax	Community Development
REVENUES		
Taxes	\$ -	\$ -
Intergovernmental	1,583,240	580,992
Charges for services	-	-
Investment income	8,428	-
Miscellaneous	54,000	11,400
Total revenues	1,645,668	592,392
 EXPENDITURES		
Current:		
General government	-	-
Highway and streets	955,849	-
Culture and recreation	-	-
Community development	-	592,392
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
Total expenditures	955,849	592,392
Revenue over (under) expenditures	689,819	-
 OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(154,865)	-
Issuance of bonds, at par	-	-
Bond premium	-	-
Payment to refunded bond escrow agent	-	-
Total other financing sources (uses)	(154,865)	-
Net change in fund balance	534,954	-
 FUND BALANCES - BEGINNING	4,352,166	2,036
 FUND BALANCES - ENDING	\$ 4,887,120	\$ 2,036

<u>Special Revenue</u>		<u>Capital Projects</u>				
<u>Fed Equity Sharing</u>	<u>Park Land Dedication</u>	<u>Capital Investment</u>	<u>Uptown Investment</u>	<u>Uptown TIF</u>	<u>Main and Osage TIF</u>	<u>One Normal Plaza</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,352,738	\$ 154,321	\$ 24,208
-	-	460,885	137	-	-	-
-	152,194	-	-	-	-	-
21	333	2,585	-	994	126	-
-	-	-	-	-	-	-
<u>21</u>	<u>152,527</u>	<u>463,470</u>	<u>137</u>	<u>1,353,732</u>	<u>154,447</u>	<u>24,208</u>
-	-	-	-	123,021	125,762	-
-	-	98,395	-	-	-	-
-	56,478	741,687	-	-	-	-
-	-	639,549	137	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>56,478</u>	<u>1,479,631</u>	<u>137</u>	<u>123,021</u>	<u>125,762</u>	<u>-</u>
<u>21</u>	<u>96,049</u>	<u>(1,016,161)</u>	<u>-</u>	<u>1,230,711</u>	<u>28,685</u>	<u>24,208</u>
-	-	2,513,000	-	-	-	-
-	-	-	-	(1,230,711)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,513,000</u>	<u>-</u>	<u>(1,230,711)</u>	<u>-</u>	<u>-</u>
21	96,049	1,496,839	-	-	28,685	24,208
15,159	165,113	1,004,797	-	-	21,230	16,841
<u>\$ 15,180</u>	<u>\$ 261,162</u>	<u>\$ 2,501,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,915</u>	<u>\$ 41,049</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Year Ended March 31, 2014

	2004 Bond Fund	2005 Bond Fund
REVENUES		
Taxes	\$ -	\$ -
Intergovernmental	-	-
Charges for services	-	-
Investment income	44	771
Miscellaneous	-	-
Total revenues	44	771
EXPENDITURES		
Current:		
General government	750	750
Highway and streets	-	-
Culture and recreation	-	-
Community development	-	-
Debt service:		
Principal	100,000	65,258
Interest and fiscal charges	2,313	273,426
Bond issuance costs	-	-
Total expenditures	103,063	339,434
Revenue over (under) expenditures	(103,019)	(338,663)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	123,996
Transfers out	(1,093)	-
Issuance of bonds, at par		
Bond premium	-	-
Payment to refunded bond escrow agent	-	-
Total other financing sources (uses)	(1,093)	123,996
Net change in fund balance	(104,112)	(214,667)
FUND BALANCES - BEGINNING	104,112	336,817
FUND BALANCES - ENDING	\$ -	\$ 122,150

Debt Service

2006 Bond Fund	2007 Bond Fund	2008 Bond Fund	2009A Bond Fund	2009 Bond Fund	2010A Bond Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
238	1,551	362	197	544	58
-	-	-	114,050	-	48,408
<u>238</u>	<u>1,551</u>	<u>362</u>	<u>114,247</u>	<u>544</u>	<u>48,466</u>
750	750	750	750	750	750
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
200,000	313,025	-	-	520,000	-
420,620	923,833	462,875	354,000	360,175	116,865
-	-	-	-	-	-
<u>621,370</u>	<u>1,237,608</u>	<u>463,625</u>	<u>354,750</u>	<u>880,925</u>	<u>117,615</u>
<u>(621,132)</u>	<u>(1,236,057)</u>	<u>(463,263)</u>	<u>(240,503)</u>	<u>(880,381)</u>	<u>(69,149)</u>
813,304	1,336,270	463,070	230,404	872,162	65,120
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>813,304</u>	<u>1,336,270</u>	<u>463,070</u>	<u>230,404</u>	<u>872,162</u>	<u>65,120</u>
192,172	100,213	(193)	(10,099)	(8,219)	(4,029)
<u>421,237</u>	<u>1,159,235</u>	<u>463,282</u>	<u>240,671</u>	<u>880,413</u>	<u>68,975</u>
<u>\$ 613,409</u>	<u>\$ 1,259,448</u>	<u>\$ 463,089</u>	<u>\$ 230,572</u>	<u>\$ 872,194</u>	<u>\$ 64,946</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Year Ended March 31, 2014

	Debt Service			<u>Total</u>
	2012	SSA	2013	
	<u>Refunding Bond Fund</u>	<u>College Hills Bond Fund</u>	<u>Bond Fund</u>	
REVENUES				
Taxes	\$ -	\$ 472,685	\$ -	\$ 2,003,952
Intergovernmental	-	-	-	2,625,254
Charges for services	-	-	-	152,194
Investment income	24	1,574	24	17,874
Miscellaneous	-	-	7,487	235,345
Total revenues	24	474,259	7,511	5,034,619
EXPENDITURES				
Current:				
General government	750	10,000	-	265,533
Highway and streets	-	-	-	1,054,244
Culture and recreation	-	-	-	798,165
Community development	-	-	-	1,232,078
Debt service:				
Principal	-	320,000	-	1,518,283
Interest and fiscal charges	268,665	403,058	-	3,585,830
Bond issuance costs	-	-	153,155	153,155
Total expenditures	269,415	733,058	153,155	8,607,288
Revenue over (under) expenditures	(269,391)	(258,799)	(145,644)	(3,572,669)
OTHER FINANCING SOURCES (USES)				
Transfers in	506,973	261,082	243,086	7,428,467
Transfers out	-	-	-	(1,386,669)
Issuance of bonds, at par	-	-	5,952,359	5,952,359
Bond premium	-	-	667,007	667,007
Payment to refunded bond escrow agent	-	-	(6,472,211)	(6,472,211)
Total other financing sources (uses)	506,973	261,082	390,241	6,188,953
Net change in fund balance	237,582	2,283	244,597	2,616,284
FUND BALANCES - BEGINNING	1,415	1,076,948	-	10,330,447
FUND BALANCES - ENDING	\$ 238,997	\$ 1,079,231	\$ 244,597	\$ 12,946,731

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	Special Revenue					
	Motor Fuel Tax		Community Development		Fed Equity Sharing	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,489,988	1,583,240	410,582	580,992	10,000	-
Charges for services	-	-	-	-	-	-
Investment income	8,705	8,428	-	-	25	21
Miscellaneous	54,000	54,000	8,700	11,400	-	-
Total revenues	<u>1,552,693</u>	<u>1,645,668</u>	<u>419,282</u>	<u>592,392</u>	<u>10,025</u>	<u>21</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	10,000	-
Highway and streets	1,028,193	955,849	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	693,194	592,392	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>1,028,193</u>	<u>955,849</u>	<u>693,194</u>	<u>592,392</u>	<u>10,000</u>	<u>-</u>
Revenue over (under) expenditures	<u>524,500</u>	<u>689,819</u>	<u>(273,912)</u>	<u>-</u>	<u>25</u>	<u>21</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(154,865)	(154,865)	-	-	-	-
Issuance of bonds, at par	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>(154,865)</u>	<u>(154,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 369,635</u>	<u>534,954</u>	<u>\$ (273,912)</u>	<u>-</u>	<u>\$ 25</u>	<u>21</u>
FUND BALANCES - BEGINNING		<u>4,352,166</u>		<u>2,036</u>		<u>15,159</u>
FUND BALANCES - ENDING		<u>\$ 4,887,120</u>		<u>\$ 2,036</u>		<u>\$ 15,180</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	Special Revenue	
	Park Land Dedication	
	Final Budget	Actual
REVENUES		
Taxes	\$ -	\$ -
Intergovernmental	-	-
Charges for services	120,000	152,194
Investment income	425	333
Miscellaneous	-	-
Total revenues	120,425	152,527
EXPENDITURES		
Current:		
General government	-	-
Public safety	-	-
Highway and streets	-	-
Culture and recreation	57,405	56,478
Community development	-	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
Total expenditures	57,405	56,478
Revenue over (under) expenditures	63,020	96,049
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Issuance of bonds, at par	-	-
Bond premium	-	-
Payment to refunded bond escrow agent	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	\$ 63,020	96,049
FUND BALANCES - BEGINNING		165,113
FUND BALANCES - ENDING		\$ 261,162

Capital Projects

Capital Investment		Uptown Investment		Uptown TIF		Main and Osage TIF	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ 1,352,738	\$ 1,352,738	\$ 154,321	\$ 154,321
400,000	460,885	1,715,555	137	-	-	-	-
-	-	-	-	-	-	-	-
2,045	2,585	-	-	945	994	135	126
-	-	-	-	-	-	-	-
<u>402,045</u>	<u>463,470</u>	<u>1,715,555</u>	<u>137</u>	<u>1,353,683</u>	<u>1,353,732</u>	<u>154,456</u>	<u>154,447</u>
-	-	-	-	113,214	123,021	175,686	125,762
-	-	-	-	-	-	-	-
102,410	98,395	-	-	-	-	-	-
737,150	741,687	-	-	-	-	-	-
578,580	639,549	383,697	137	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,418,140</u>	<u>1,479,631</u>	<u>383,697</u>	<u>137</u>	<u>113,214</u>	<u>123,021</u>	<u>175,686</u>	<u>125,762</u>
<u>(1,016,095)</u>	<u>(1,016,161)</u>	<u>1,331,858</u>	<u>-</u>	<u>1,240,469</u>	<u>1,230,711</u>	<u>(21,230)</u>	<u>28,685</u>
2,513,000	2,513,000	-	-	-	-	-	-
-	-	-	-	(1,229,650)	(1,230,711)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,513,000</u>	<u>2,513,000</u>	<u>-</u>	<u>-</u>	<u>(1,229,650)</u>	<u>(1,230,711)</u>	<u>-</u>	<u>-</u>
<u>\$ 1,496,905</u>	<u>1,496,839</u>	<u>\$ 1,331,858</u>	<u>-</u>	<u>\$ 10,819</u>	<u>-</u>	<u>\$ (21,230)</u>	<u>28,685</u>
	<u>1,004,797</u>		<u>-</u>		<u>-</u>		<u>21,230</u>
	<u>\$ 2,501,636</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 49,915</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	Capital Projects	
	One Normal Plaza	
	Final Budget	Actual
REVENUES		
Taxes	\$ 24,208	\$ 24,208
Intergovernmental	-	-
Charges for services	-	-
Investment income	35	-
Miscellaneous	-	-
Total revenues	24,243	24,208
EXPENDITURES		
Current:		
General government	41,084	-
Public safety	-	-
Highway and streets	-	-
Culture and recreation	-	-
Community development	-	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
Total expenditures	41,084	-
Revenue over (under) expenditures	(16,841)	24,208
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Issuance of bonds, at par	-	-
Bond premium	-	-
Payment to refunded bond escrow agent	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	\$ (16,841)	24,208
FUND BALANCES - BEGINNING		16,841
FUND BALANCES - ENDING		\$ 41,049

Debt Service

2004 Bond Fund		2005 Bond Fund		2006 Bond Fund	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
45	44	705	771	185	238
-	-	-	-	-	-
<u>45</u>	<u>44</u>	<u>705</u>	<u>771</u>	<u>185</u>	<u>238</u>
750	750	750	750	750	750
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100,000	100,000	65,258	65,258	200,000	200,000
2,313	2,313	273,427	273,426	420,620	420,620
-	-	-	-	-	-
<u>103,063</u>	<u>103,063</u>	<u>339,435</u>	<u>339,434</u>	<u>621,370</u>	<u>621,370</u>
<u>(103,018)</u>	<u>(103,019)</u>	<u>(338,730)</u>	<u>(338,663)</u>	<u>(621,185)</u>	<u>(621,132)</u>
-	-	126,298	123,996	812,605	813,304
(1,094)	(1,093)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,094)</u>	<u>(1,093)</u>	<u>126,298</u>	<u>123,996</u>	<u>812,605</u>	<u>813,304</u>
<u>\$ (104,112)</u>	<u>(104,112)</u>	<u>\$ (212,432)</u>	<u>(214,667)</u>	<u>\$ 191,420</u>	<u>192,172</u>
	<u>104,112</u>		<u>336,817</u>		<u>421,237</u>
	<u>\$ -</u>		<u>\$ 122,150</u>		<u>\$ 613,409</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	2007 Bond Fund		2008 Bond Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,495	1,551	505	362
Miscellaneous	-	-	-	-
Total revenues	<u>1,495</u>	<u>1,551</u>	<u>505</u>	<u>362</u>
EXPENDITURES				
Current:				
General government	750	750	750	750
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	313,025	313,025	-	-
Interest and fiscal charges	923,835	923,833	462,875	462,875
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,237,610</u>	<u>1,237,608</u>	<u>463,625</u>	<u>463,625</u>
Revenue over (under) expenditures	<u>(1,236,115)</u>	<u>(1,236,057)</u>	<u>(463,120)</u>	<u>(463,263)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,395,790	1,336,270	463,070	463,070
Transfers out	-	-	-	-
Issuance of bonds, at par	-	-	-	-
Bond premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>1,395,790</u>	<u>1,336,270</u>	<u>463,070</u>	<u>463,070</u>
Net change in fund balance	<u>\$ 159,675</u>	100,213	<u>\$ (50)</u>	(193)
FUND BALANCES - BEGINNING		<u>1,159,235</u>		<u>463,282</u>
FUND BALANCES - ENDING		<u>\$ 1,259,448</u>		<u>\$ 463,089</u>

Debt Service

2009A Bond Fund		2009 Bond Fund		2010A Bond Fund		2012 Refunding Bond Fund	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
270	197	600	544	80	58	-	24
123,900	114,050	-	-	52,590	48,408	-	-
<u>124,170</u>	<u>114,247</u>	<u>600</u>	<u>544</u>	<u>52,670</u>	<u>48,466</u>	<u>-</u>	<u>24</u>
750	750	750	750	750	750	-	750
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	520,000	520,000	-	-	-	-
354,000	354,000	360,175	360,175	116,866	116,865	268,665	268,665
-	-	-	-	-	-	-	-
<u>354,750</u>	<u>354,750</u>	<u>880,925</u>	<u>880,925</u>	<u>117,616</u>	<u>117,615</u>	<u>268,665</u>	<u>269,415</u>
(230,580)	(240,503)	(880,325)	(880,381)	(64,946)	(69,149)	(268,665)	(269,391)
230,290	230,404	872,462	872,162	64,875	65,120	506,225	506,973
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>230,290</u>	<u>230,404</u>	<u>872,462</u>	<u>872,162</u>	<u>64,875</u>	<u>65,120</u>	<u>506,225</u>	<u>506,973</u>
\$ (290)	(10,099)	\$ (7,863)	(8,219)	\$ (71)	(4,029)	\$ 237,560	237,582
	<u>240,671</u>		<u>880,413</u>		<u>68,975</u>		<u>1,415</u>
	\$ <u>230,572</u>		\$ <u>872,194</u>		\$ <u>64,946</u>		\$ <u>238,997</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2014

	Debt Service				Total Actual
	SSA-College Hills Bond Fund		2013 Bond Fund		
	Final Budget	Actual	Final Budget	Actual	
REVENUES					
Taxes	\$ 472,685	\$ 472,685	\$ -	\$ -	\$ 2,003,952
Intergovernmental	-	-	-	-	2,625,254
Charges for services	-	-	-	-	152,194
Investment income	1,500	1,574	-	24	17,874
Miscellaneous	-	-	-	7,487	235,345
Total revenues	<u>474,185</u>	<u>474,259</u>	<u>-</u>	<u>7,511</u>	<u>5,034,619</u>
EXPENDITURES					
Current:					
General government	10,000	10,000	-	-	265,533
Public safety	-	-	-	-	-
Highway and streets	-	-	-	-	1,054,244
Culture and recreation	-	-	-	-	798,165
Community development	-	-	-	-	1,232,078
Debt service:					
Principal	320,000	320,000	-	-	1,518,283
Interest and fiscal charges	407,355	403,058	-	-	3,585,830
Bond issuance costs	-	-	165,655	153,155	153,155
Total expenditures	<u>737,355</u>	<u>733,058</u>	<u>165,655</u>	<u>153,155</u>	<u>8,607,288</u>
Revenue over (under) expenditures	<u>(263,170)</u>	<u>(258,799)</u>	<u>(165,655)</u>	<u>(145,644)</u>	<u>(3,572,669)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	261,082	261,082	258,073	243,086	7,428,467
Transfers out	-	-	-	-	(1,386,669)
Issuance of bonds, at par	-	-	5,952,359	5,952,359	5,952,359
Bond premium	-	-	667,007	667,007	667,007
Payment to refunded bond escrow agent	-	-	(6,472,211)	(6,472,211)	(6,472,211)
Total other financing sources (uses)	<u>261,082</u>	<u>261,082</u>	<u>405,228</u>	<u>390,241</u>	<u>6,188,953</u>
Net change in fund balance	<u>\$ (2,088)</u>	<u>2,283</u>	<u>\$ 239,573</u>	<u>244,597</u>	<u>2,616,284</u>
FUND BALANCES - BEGINNING		<u>1,076,948</u>		<u>-</u>	<u>10,330,447</u>
FUND BALANCES - ENDING		<u>\$ 1,079,231</u>		<u>\$ 244,597</u>	<u>\$ 12,946,731</u>

TOWN OF NORMAL, ILLINOIS
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION

March 31, 2014

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 753,490	\$ 454,522	\$ 1,208,012
Investments, at fair value:			
Certificates of deposit	250,000	2,000,000	2,250,000
Pooled investment accounts	8,260,078	645,471	8,905,549
U.S. Government obligations	3,367,388	9,851,109	13,218,497
Corporate bonds	485,355	955,068	1,440,423
Mutual funds	15,754,513	11,304,830	27,059,343
Equities	<u>1,753,565</u>	<u>1,351,703</u>	<u>3,105,268</u>
Total investments	<u>29,870,899</u>	<u>26,108,181</u>	<u>55,979,080</u>
Receivables:			
Interest	12,887	62,212	75,099
Taxes	<u>11,918</u>	<u>9,311</u>	<u>21,229</u>
Total receivables	<u>24,805</u>	<u>71,523</u>	<u>96,328</u>
Total assets	30,649,194	26,634,226	57,283,420
LIABILITIES			
Accounts payable	<u>132</u>	<u>62</u>	<u>194</u>
NET POSITION,			
held in trust for pension benefits	<u>\$ 30,649,062</u>	<u>\$ 26,634,164</u>	<u>\$ 57,283,226</u>

TOWN OF NORMAL, ILLINOIS
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended March 31, 2014

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
ADDITIONS			
Contributions - Employer	\$ 1,404,157	\$ 1,096,480	\$ 2,500,637
Contributions - Members	<u>560,547</u>	<u>430,468</u>	<u>991,015</u>
Total contributions	<u>1,964,704</u>	<u>1,526,948</u>	<u>3,491,652</u>
INVESTMENT INCOME			
Interest	936,300	920,529	1,856,829
Net appreciation in fair value of investments	<u>1,982,558</u>	<u>1,137,965</u>	<u>3,120,523</u>
Total investment income	2,918,858	2,058,494	4,977,352
Less investment expense	<u>(23,681)</u>	<u>(51,343)</u>	<u>(75,024)</u>
Net investment income	<u>2,895,177</u>	<u>2,007,151</u>	<u>4,902,328</u>
Total additions	<u>4,859,881</u>	<u>3,534,099</u>	<u>8,393,980</u>
DEDUCTIONS			
Pension benefits	2,177,588	1,835,151	4,012,739
Refunds of contributions	1,065	-	1,065
Administrative expenses	<u>16,617</u>	<u>16,017</u>	<u>32,634</u>
Total deductions	<u>2,195,270</u>	<u>1,851,168</u>	<u>4,046,438</u>
Change in net position	2,664,611	1,682,931	4,347,542
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR			
	<u>27,984,451</u>	<u>24,951,233</u>	<u>52,935,684</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, END OF THE YEAR			
	<u>\$ 30,649,062</u>	<u>\$ 26,634,164</u>	<u>\$ 57,283,226</u>



**Independent Auditors' Report
On Compliance With Illinois Municipal Code
Subsection (q) Section 11-74.4-3 of Public Act 85-1142**

To the Honorable Mayor and Members
of the City Council
Town of Normal, Illinois

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Normal, Illinois, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements and have issued our report thereon dated August 20, 2014.

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Normal, Illinois failed to comply with Subsection (Q) of Section 11-74.4-3 of Public Act 85-1142, insofar as it relates 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 Town's noncompliance with the above-referenced Illinois Municipal Code, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the City Council and Management of Town of Normal and State of Illinois and is not intended to be and should not be used by anyone other than those specified parties.

CliftonLarsonAllen LLP

Champaign, Illinois
August 20, 2014

STATISTICAL SECTION

This part of the Town of Normal, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	125
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	129
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	135
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	139
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	142

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Normal
Net Position by Component, Last Nine Fiscal Years
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities									
Net investment in capital assets	\$ 46,328,731	\$ 25,441,947	\$ 48,239,933	\$ 54,726,771	\$ 42,108,859	\$ 73,440,059	\$ 85,153,798	\$ 83,885,157	\$ 78,221,943
Restricted	12,990,307	39,871,220	21,409,198	7,454,535	7,839,461	7,104,521	10,306,135	8,080,907	9,102,259
Unrestricted	17,730,298	16,570,530	14,864,267	12,008,892	11,046,381	11,976,771	13,013,776	17,847,991	19,036,611
Total governmental activities net position	<u>77,049,336</u>	<u>81,883,697</u>	<u>84,513,398</u>	<u>74,190,198</u>	<u>60,994,701</u>	<u>92,521,351</u>	<u>108,473,709</u>	<u>109,814,055</u>	<u>106,360,813</u>
Business-type activities									
Net investment in capital assets	14,834,564	12,976,024	18,969,682	33,756,507	43,300,053	22,150,440	23,733,914	25,113,044	27,050,837
Restricted	-	7,843,740	2,129,428	386,080	421,239	425,400	418,829	404,346	424,084
Unrestricted	7,719,199	3,607,915	3,904,917	3,239,775	4,551,063	7,233,312	10,172,763	11,395,968	12,825,645
Total business-type activities net position	<u>22,553,763</u>	<u>24,427,679</u>	<u>25,004,027</u>	<u>37,382,362</u>	<u>48,272,355</u>	<u>29,809,152</u>	<u>34,325,506</u>	<u>36,913,358</u>	<u>40,300,566</u>
Primary government									
Net investment in capital assets	61,163,295	38,417,971	67,209,615	88,483,278	85,408,912	95,590,499	108,887,712	108,998,201	105,272,780
Restricted	12,990,307	47,714,960	23,538,626	7,840,615	8,260,700	7,529,921	10,724,964	8,485,253	9,526,343
Unrestricted	25,449,497	20,178,445	18,769,184	15,248,667	15,597,444	19,210,083	23,186,539	29,243,959	31,862,256
Total primary government net position	<u>\$ 99,603,099</u>	<u>\$ 106,311,376</u>	<u>\$ 109,517,425</u>	<u>\$ 111,572,560</u>	<u>\$ 109,267,056</u>	<u>\$ 122,330,503</u>	<u>\$ 142,799,215</u>	<u>\$ 146,727,413</u>	<u>\$ 146,661,379</u>

Town of Normal
Changes in Position, Last Nine Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses									
Governmental Activities:									
General government	\$ 9,073,411	\$ 9,715,204	\$ 10,059,408	\$ 8,502,594	\$ 8,169,146	\$ 7,355,874	\$ 8,987,446	\$ 8,499,491	\$ 9,983,570
Public safety	15,322,988	16,171,447	17,939,635	19,062,410	18,113,034	19,153,746	20,016,690	19,956,493	21,946,719
Highways and streets	5,394,245	5,941,266	3,399,372	3,915,185	3,928,186	6,619,466	7,446,162	3,949,587	8,050,545
Sanitation	1,527,536	1,809,065	1,699,453	2,109,269	1,932,431	1,948,805	2,726,340	2,466,073	2,579,053
Culture and recreation	7,333,056	6,754,258	7,166,480	8,027,254	8,131,327	8,251,206	9,154,801	9,943,768	10,685,144
Community development	3,582,574	3,671,539	9,844,145	9,794,083	11,275,724	6,172,715	4,701,435	14,378,512	6,340,048
Interest on long-term debt	1,384,592	1,975,808	2,947,012	2,828,095	3,768,699	3,732,190	3,858,824	3,838,297	3,588,490
Total governmental activities expenses	43,618,402	46,038,587	53,055,505	54,238,890	55,318,547	53,234,002	56,891,698	63,032,221	63,173,569
Business-type activities:									
Water	5,448,592	5,449,487	6,241,497	6,724,728	6,408,651	6,403,560	6,521,149	7,852,461	7,121,884
Sewer	1,487,355	1,597,208	1,907,194	2,051,822	2,109,445	2,107,287	2,228,001	2,618,653	2,484,103
Stormwater Management	-	763,704	929,183	756,745	866,756	923,885	1,004,695	1,467,640	1,994,661
Parking Deck	-	-	-	362,141	678,286	799,084	-	-	-
Total business-type activities expenses	6,935,947	7,810,399	9,077,874	9,895,436	10,063,138	10,233,816	9,753,845	11,938,754	11,600,648
Total primary government expenses	\$ 50,554,349	\$ 53,848,986	\$ 62,133,379	\$ 64,134,326	\$ 65,381,685	\$ 63,467,818	\$ 66,645,543	\$ 74,970,975	\$ 74,774,217
Program Revenues									
Governmental Activities:									
Charges for services:									
General government	\$ 3,376,085	\$ 3,974,895	\$ 5,412,194	\$ 1,845,413	\$ 1,979,443	\$ 1,379,607	\$ 1,514,423	\$ 1,618,041	\$ 1,151,929
Public safety	2,383,606	2,956,806	3,237,294	2,736,829	4,347,213	4,614,115	4,397,882	4,161,434	4,514,911
Highway and streets	42,318	-	-	-	-	542,800	-	-	-
Sanitation	705,623	721,028	731,903	1,055,501	1,060,965	1,069,742	1,393,221	1,594,871	1,672,774
Culture and recreation	3,020,484	3,279,297	3,443,877	3,391,840	3,530,992	3,662,811	3,842,122	3,741,664	3,996,700
Community development	-	71,351	26,556	8,830	-	8,423	9,923	17,450	14,322
Operating grants and contributions	751,580	647,797	508,720	266,887	132,655	507,634	157,198	445,459	803,190
Capital grants and contributions	2,493,206	2,280,390	2,954,527	3,250,480	2,262,433	8,621,608	17,543,406	6,770,979	2,098,261
Total governmental activities program revenues	12,772,902	13,931,564	16,315,071	12,555,780	13,313,701	20,406,740	28,858,175	18,349,898	14,252,087
Business-type activities:									
Charges for services:									
Water	5,422,438	6,010,026	6,227,977	6,370,513	7,195,420	8,609,196	8,910,897	9,739,826	10,202,610
Sewer	1,410,327	1,683,970	1,703,235	1,623,832	1,487,505	2,227,626	2,335,756	2,516,159	2,429,034
Stormwater Management	-	1,463,700	1,788,827	1,743,074	1,776,360	1,818,482	1,798,971	1,811,106	1,845,039
Parking Deck	-	-	-	54,334	144,331	239,827	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,810	-	-	-	-	-	784,395	-	-
Total business-type activities program revenues	6,835,575	9,157,696	9,720,039	9,791,753	10,603,616	12,895,131	13,830,019	14,067,091	14,476,683
Total primary government program revenues	\$ 19,608,477	\$ 23,089,260	\$ 26,035,110	\$ 22,347,533	\$ 23,917,317	\$ 33,301,871	\$ 42,688,194	\$ 32,416,989	\$ 28,728,770
Net (Expense)/Revenue									
Governmental activities	\$ (30,845,500)	\$ (32,107,023)	\$ (36,740,434)	\$ (41,683,110)	\$ (42,004,846)	\$ (32,827,262)	\$ (28,033,523)	\$ (44,682,323)	\$ (48,921,482)
Business-type activities	(100,372)	1,347,297	642,165	(103,683)	540,478	2,661,315	4,076,013	2,128,337	2,876,035
Total primary government net expense	\$ (30,945,872)	\$ (30,759,726)	\$ (36,098,269)	\$ (41,786,793)	\$ (41,464,368)	\$ (30,165,947)	\$ (23,957,349)	\$ (42,553,986)	\$ (46,045,447)
General Revenues and Other Changes in Net Position									
Governmental activities:									
Taxes									
Property taxes	\$ 5,039,365	\$ 5,217,097	\$ 5,999,807	\$ 5,606,944	\$ 5,824,820	\$ 6,394,398	\$ 6,424,316	\$ 6,427,235	\$ 8,263,883
Franchise taxes	420,709	466,392	512,071	565,076	788,446	871,036	864,140	936,994	960,736
Sales taxes	12,352,224	13,703,449	14,297,631	14,110,647	14,118,757	15,694,469	16,819,443	17,625,488	17,409,756
Other taxes	12,932,133	13,626,534	14,586,607	17,090,750	16,516,828	16,857,369	16,454,583	17,708,468	16,383,273
Investment income	1,176,494	2,165,318	2,369,310	744,803	410,837	274,979	158,778	165,002	185,233
Miscellaneous	1,444,708	1,968,999	33,109	2,561,541	1,219,190	2,357,875	3,264,621	2,746,385	3,173,471
Transfers	(720)	(2,424)	1,571,600	(11,821,171)	(10,072,129)	21,646,386	-	-	-
Sale of land	5,000	5,000	-	178,884	2,600	257,400	-	-	-
Gain/(loss) on sale of assets	100,878	65,982	-	-	-	-	-	413,097	-
Total governmental activities	33,470,791	37,216,347	39,370,135	29,037,474	28,809,349	64,353,912	43,985,881	46,022,669	46,376,352
Business-type activities:									
Investment income	186,546	383,994	370,052	63,056	6,189	20,286	22,909	24,971	57,814
Miscellaneous	185,026	140,201	1,135,731	597,791	271,202	501,581	417,272	434,544	453,359
Transfers	720	2,424	(1,571,600)	11,821,171	10,072,129	(21,646,386)	-	-	-
Sale of land	-	-	-	-	-	-	-	-	-
Gain/(loss) on sale of assets	-	0	-	-	-	-	-	-	-
Total business-type activities	372,292	526,619	(65,817)	12,482,018	10,349,520	(21,124,519)	440,181	459,515	511,173
Total primary government	\$ 33,843,083	\$ 37,742,966	\$ 39,304,318	\$ 41,519,492	\$ 39,158,869	\$ 43,229,393	\$ 44,426,062	\$ 46,482,184	\$ 46,887,525
Change in Net Position									
Governmental activities	\$ 2,625,291	\$ 4,834,361	\$ 2,629,701	\$ (12,645,636)	\$ (13,195,497)	\$ 31,526,650	\$ 15,952,358	\$ 1,340,346	\$ (2,545,130)
Business-type activities	271,920	1,873,916	576,348	12,378,335	10,889,998	(18,463,204)	4,516,355	2,587,852	3,387,208
Total primary government	\$ 2,897,211	\$ 6,708,277	\$ 3,206,049	\$ (267,301)	\$ (2,305,499)	\$ 13,063,446	\$ 20,468,713	\$ 3,928,198	\$ 842,078

(Concluded)

Town of Normal
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Nonspendable	-	-	-	-	-	-	-	\$ 152,189	\$ 208,017	\$ 234,880
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	91,680	831,966	346,650
Unassigned	-	-	-	-	-	-	-	22,574,151	25,523,850	24,799,504
Reserved	\$ 471,633	\$ 531,933	\$ 561,195	\$ 381,619	\$ 292,669	\$ 264,025	\$ 187,725	-	-	-
Unreserved	11,326,970	11,449,727	11,463,011	12,612,293	12,682,037	12,387,613	16,281,414	-	-	-
Total general fund	<u>\$ 11,798,603</u>	<u>\$ 11,981,660</u>	<u>\$ 12,024,206</u>	<u>\$ 12,993,912</u>	<u>\$ 12,974,706</u>	<u>\$ 12,651,638</u>	<u>\$ 16,469,139</u>	<u>\$ 22,818,020</u>	<u>\$ 26,563,833</u>	<u>\$ 25,381,034</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	10,306,135	8,080,907	9,102,259
Committed	-	-	-	-	-	-	-	201,258	165,113	261,162
Assigned	-	-	-	-	-	-	-	2,420,837	2,084,427	3,583,310
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	\$ 15,823,446	\$ 14,355,935	\$ 40,132,547	\$ 7,473,841	\$ 7,797,753	\$ 7,970,340	\$ 8,042,469	-	-	-
Unreserved, reported in:										
Special revenue funds	1,237,707	1,942,312	3,659,748	4,462,903	3,877,513	3,591,473	2,735,412	-	-	-
Capital projects funds	3,466,795	3,330,886	5,363,732	17,192,308	7,965,941	5,324,387	4,041,046	-	-	-
Debt service funds	300,209	757,800	1,156,866	466,789	641,517	859,618	901,612	-	-	-
Total all other governmental funds	<u>\$ 20,828,157</u>	<u>\$ 20,386,933</u>	<u>\$ 50,312,893</u>	<u>\$ 29,595,841</u>	<u>\$ 20,282,724</u>	<u>\$ 17,745,818</u>	<u>\$ 15,720,539</u>	<u>\$ 12,928,230</u>	<u>\$ 10,330,447</u>	<u>\$ 12,946,731</u>

Town of Normal
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 18,954,777	\$ 19,755,448	\$ 20,466,079	\$ 21,975,399	\$ 22,922,890	\$ 23,601,945	\$ 25,644,898	\$ 27,244,476	\$ 28,325,999	\$ 28,222,333
Licenses and permits	901,367	829,843	800,385	742,460	1,025,987	829,535	740,201	690,217	663,707	691,003
Intergovernmental	12,341,921	13,646,454	15,295,043	16,399,430	17,493,365	16,041,996	23,023,267	31,018,610	21,093,749	17,456,144
Charges for services	3,756,952	4,416,349	5,550,228	6,084,253	6,911,776	6,939,681	7,474,571	8,193,774	8,437,364	9,005,675
Fines and fees	1,256,649	1,275,194	1,344,798	1,436,704	1,163,839	2,047,053	2,212,900	1,984,195	1,806,754	1,994,749
Employee contributions	-	-	-	-	-	-	-	-	-	-
Investment income	400,024	1,137,557	2,095,821	2,404,955	666,474	195,456	134,007	81,295	79,497	84,659
Miscellaneous	1,615,137	2,102,205	2,043,021	2,097,455	2,289,328	2,268,371	2,355,154	3,247,888	3,087,228	2,652,999
Total revenues	39,226,827	43,163,050	47,595,375	51,140,656	52,473,659	51,924,037	61,584,998	72,460,455	63,494,298	60,107,562
Expenditures										
Current operating:										
General government	5,683,792	6,014,517	6,263,106	6,851,731	7,230,603	7,099,957	7,066,800	7,582,362	8,196,949	8,781,932
Public safety	14,309,179	15,940,943	16,213,528	17,615,105	17,799,704	18,288,085	19,031,377	19,085,344	19,247,936	21,106,397
Highways and streets	5,392,430	5,885,577	5,175,500	8,213,482	10,291,019	7,756,907	7,911,175	5,764,536	6,167,381	6,516,734
Sanitation	1,284,943	1,237,260	2,328,267	2,032,857	1,777,436	1,599,855	1,903,112	2,395,238	3,633,978	2,666,584
Culture and recreation	5,475,999	6,967,796	7,416,381	9,141,436	8,129,678	9,048,637	8,469,834	8,110,034	8,495,480	9,615,960
Community development	14,582,209	11,495,195	9,131,672	25,806,528	24,961,488	13,326,138	13,444,262	21,142,413	12,205,835	4,876,357
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	141,833	153,950	107,035	98,900	98,900	185,557	452,830	1,165,132	1,249,432	1,518,283
Interest and fiscal charges	469,556	1,597,724	2,335,297	2,699,563	2,956,833	3,660,236	3,778,205	3,858,824	3,965,147	3,585,830
Bond issuance cost	-	-	-	-	-	-	-	-	-	153,155
Total expenditures	47,339,941	49,292,962	48,970,786	72,459,602	73,245,661	60,965,372	62,057,595	69,103,883	63,162,138	58,821,232
Excess of revenues over (under) expenditures	(8,113,114)	(6,129,912)	(1,375,411)	(21,318,946)	(20,772,002)	(9,041,335)	(472,597)	3,356,572	332,160	1,286,330
Other financing sources (uses)										
Transfers in	11,011,666	12,709,711	12,077,127	26,202,092	10,675,196	11,236,819	9,112,786	5,422,781	5,551,469	7,429,560
Transfers out	(11,012,206)	(12,710,431)	(12,079,551)	(24,630,492)	(10,182,022)	(11,051,021)	(8,960,367)	(5,422,781)	(5,551,469)	(7,429,560)
Transfers from component unit	-	-	-	-	-	-	-	-	-	-
Relocation of debt proceeds from proprietary funds	-	-	-	-	-	-	-	200,000	262,300	-
Issuance of bonds, at par	15,510,000	5,677,750	31,111,000	-	10,000,000	15,390,000	1,855,000	-	9,610,000	5,952,359
Bond premium	35,739	78,747	230,341	-	37,980	627,963	-	-	276,116	667,007
Payment to refunded bond escrow agent	-	-	-	-	-	(10,025,000)	-	-	(9,745,643)	(6,472,211)
Sale of land	35,000	115,968	5,000	-	178,884	2,600	257,400	-	413,097	-
Total other financing sources (uses)	15,580,199	5,871,745	31,343,917	1,571,600	10,710,038	6,181,361	2,264,819	200,000	815,870	147,155
Net change in fund balances	\$ 7,467,085	\$ (258,167)	\$ 29,968,506	\$ (19,747,346)	\$ (10,061,964)	\$ (2,859,974)	\$ 1,792,222	\$ 3,556,572	\$ 1,148,030	\$ 1,433,485
Debt service as a percentage of noncapital expenditures	1.29%	3.55%	4.99%	3.86%	4.17%	6.31%	6.82%	7.27%	8.26%	8.94%

Town of Normal, Illinois
TAX AND INTERGOVERNMENTAL TAX REVENUE BY SOURCE ⁽¹⁾
Last Ten Fiscal Years
(modified accrual basis of accounting)

Year Ended March-31	General Property Tax	Utility Tax	Local Sales Tax ⁽¹⁾	Local Liquor Tax ⁽²⁾	Road & Bridge Tax	Franchise Tax	State Income Tax	Sales Tax	Replacement Tax	Motor Fuel Tax	Hotel/ Motel Tax	Food & Beverage Tax ⁽³⁾	Total
2005	6,950,518	4,744,438	5,474,226	467,152	219,508	421,308	3,390,173	6,078,560	271,363	1,330,658	623,772	1,205,678	31,177,354
2006	7,116,202	4,886,004	5,875,553	432,313	242,810	420,709	4,149,975	6,476,671	350,147	1,372,801	616,918	1,349,919	33,290,022
2007	5,217,097	4,560,918	6,473,078	489,492	251,874	466,392	4,851,986	7,230,371	380,469	1,493,784	625,276	1,466,147	33,506,884
2008	5,429,773	4,747,780	6,778,094	534,727	271,416	512,071	5,305,820	7,519,537	302,626	1,465,449	867,636	1,580,434	35,315,363
2009	5,606,944	5,029,490	6,620,996	567,623	294,958	565,076	4,603,029	7,489,651	272,799	1,367,049	813,640	1,690,120	34,921,375
2010	5,824,820	4,726,198	6,633,330	642,220	308,444	788,446	4,012,410	7,485,427	238,938	1,305,032	852,464	1,758,960	34,576,689
2011	6,394,398	4,864,840	7,983,052	727,433	323,826	871,036	3,938,798	7,711,417	266,921	1,817,795	997,615	1,914,308	37,811,439
2012	6,424,316	4,761,594	8,759,152	813,504	334,460	864,140	4,258,208	8,060,291	233,308	1,553,651	1,193,918	2,052,862	39,309,404
2013	6,427,235	4,859,239	9,043,019	862,416	337,712	936,994	4,731,057	8,582,469	226,312	1,521,521	1,343,890	2,122,942	40,994,806
2014	6,259,932	4,842,617	8,903,125	846,393	342,222	960,736	5,115,630	8,506,631	253,798	1,583,240	1,332,650	2,155,633	41,102,607

- (1) The local sales tax rate increased from 1.25% to 1.5% in fiscal year 2010-11.
- (2) The 4% liquor tax went into effect on April 1, 1994.
- (3) The 2% Food and Beverage tax was effective January 1, 2003.

**Town of Normal
Taxable Sales by Category
Last Ten Calendar Years**

	Calendar Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Merchandise	26.00%	27.00%	25.00%	29.00%	29.00%	29.00%	28.00%	29.20%	32.50%	32.20%
Food	25.00%	24.00%	24.00%	23.00%	22.00%	20.00%	19.00%	18.80%	20.50%	22.60%
Drugs	10.00%	10.00%	10.00%	10.00%	11.00%	10.00%	10.00%	10.40%	10.30%	11.00%
Automobiles	18.00%	18.00%	16.00%	16.00%	17.00%	19.00%	19.00%	17.10%	12.90%	12.00%
Durable Goods	12.00%	12.00%	13.00%	13.00%	16.00%	16.00%	14.00%	14.20%	13.90%	13.40%
Other	9.00%	9.00%	12.00%	9.00%	5.00%	6.00%	10.00%	10.30%	9.90%	8.80%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The local sales tax rate increased from 1.25% to 1.50% in fiscal year 2010-11.

Source: State of Illinois Department of Revenue

Town of Normal
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
(in thousands of dollars)

Tax Year	Commercial Property	Residential Property	Farm Property	Total Taxable Assessed Value	Total Direct Tax Rate*
2004	202,276	409,635	823	612,734	0.8263
2005	210,861	448,129	783	659,773	0.7928
2006	228,165	488,200	871	717,236	0.7581
2007	238,834	511,807	659	751,300	0.7490
2008	252,270	531,755	495	784,520	0.7429
2009	262,157	552,321	289	814,767	0.7848
2010	264,178	557,589	375	822,142	0.7826
2011	266,468	563,420	562	830,450	0.7749
2012	267,674	553,483	529	821,686	0.7627
2013	266,659	552,803	541	820,003	0.8943

Source: McLean County Treasurer's Office

* Tax rates are per \$100 of assessed value.

Town of Normal
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$100 of assessed value)

Tax Year Levied	Town Direct Rates						Overlapping Rates									
	General	IMRF	Fire Pension	Police Pension	Social Security	Total Direct Rate	Town Library	McLean County	Normal Township	Normal Road District	Bloomington-Normal Water Reclamation District	Bloomington-Normal Airport Authority	Unit 5 School District	Heartland Community College	Total Overlapping Rates	Total All Rates
2004	0.26110	0.10530	0.16630	0.17320	0.12040	0.8263	0.3406	0.9387	0.1259	0.0809	0.1501	0.1068	4.5079	0.3875	6.6384	7.4647
2005	0.24250	0.10760	0.15460	0.17060	0.11750	0.7928	0.3335	0.9389	0.1225	0.0786	0.1484	0.0520	4.4758	0.3929	6.5425	7.3353
2006	0.22300	0.10460	0.14710	0.17190	0.11150	0.7581	0.3292	0.9193	0.1183	0.0759	0.1530	0.1162	4.4476	0.4066	6.5660	7.3241
2007	0.21296	0.10781	0.14442	0.16798	0.11580	0.7490	0.3391	0.9010	0.1486	0.0809	0.1587	0.1078	4.5325	0.4442	6.7128	7.4618
2008	0.20400	0.10840	0.15100	0.16320	0.11640	0.7430	0.3507	0.8966	0.1493	0.0812	0.1604	0.1101	4.5893	0.4547	6.7923	7.5353
2009	0.19638	0.14875	0.14777	0.15894	0.13292	0.7848	0.3645	0.9069	0.1514	0.0823	0.1648	0.0855	4.6929	0.4591	6.9074	7.6922
2010	0.19461	0.14839	0.15411	0.15837	0.12711	0.7826	0.3951	0.9167	0.1581	0.0859	0.1639	0.0986	4.7638	0.4736	7.0557	7.8383
2011	0.19267	0.16858	0.11873	0.16208	0.13282	0.7749	0.4148	0.9157	0.1650	0.0897	0.1639	0.1549	4.7350	0.4758	7.1148	7.8897
2012	0.13888	0.18864	0.12839	0.16442	0.14239	0.7627	0.4397	0.9117	0.1669	0.0907	0.1640	0.1275	4.8841	0.4826	7.2671	8.0298
2013	0.19512	0.19488	0.16305	0.19537	0.14585	0.8943	0.4465	0.9038	0.2230	0.0910	0.1701	0.1273	5.0070	0.5067	7.4754	8.3697

Source: McLean County Treasurer's Office

Town of Normal
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ironwood Garden Apartments	\$ 7,687,208	1	0.94%	\$ 4,046,677	5	0.61%
Wal-Mart Supercenter	7,683,916	2	0.94%	6,726,172	2	1.02%
Mitsubishi Motor Manufacturing of America	7,470,795	3	0.91%	9,098,221	1	1.38%
Meijer's	5,611,180	4	0.68%			
BroMenn Healthcare	5,265,072	5	0.64%	2,791,849	7	0.42%
Marriott Hotel	4,901,962	6	0.60%			
College Hills Mall (Incl Anchor Stores)	4,602,364	7	0.56%	5,254,252	3	0.80%
Main Street Apartments	3,996,777	8	0.49%			
Uptown Crossing	3,625,234	9	0.44%			
Menards	3,620,157	10	0.44%	3,095,565	6	0.47%
Vernon Stables				2,552,000	9	0.39%
Lancaster Heights				2,595,805	8	0.39%
Borders, Dick's Sporting Goods, etc.				4,535,421	4	0.69%
Vutech				2,302,715	10	0.35%
Totals	<u>\$ 54,464,665</u>		<u>6.64%</u>	<u>\$ 42,998,677</u>		<u>6.52%</u>
Town of Normal Assessment Value	<u>\$ 820,003,045</u>			<u>\$ 659,773,612</u>		

Source: McLean County Treasurer's Office
2005 Information - 2005 CAFR

Town of Normal
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended March 31	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	6,955,000	6,933,807	99.70%	6,435	6,940,242	99.79%
2004	7,150,000	7,115,784	99.52%	1,721	7,117,505	99.55%
2005	7,430,800	7,404,129	99.64%	489	7,404,618	99.65%
2006	7,798,000	7,791,401	99.92%	253	7,791,654	99.92%
2007	8,175,000	8,142,202	99.60%	12,316	8,154,518	99.75%
2008	8,578,000	8,567,429	99.88%	255	8,567,684	99.88%
2009	9,364,000	9,360,277	99.96%	441	9,360,718	99.96%
2010	9,668,000	9,666,002	99.98%	352	9,666,354	99.98%
2011	9,880,000	9,878,126	99.98%	286	9,878,413	99.98%
2012**	9,880,000	9,865,676	99.86%	233	9,865,909	99.86%

Source: McLean County Treasurer

*Includes Library

** Levy collected in FY 2013-14

Town of Normal
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	SSA Bond	Farm Bureau Note	Land Acquisition Note	Water Bonds	Sewer Bonds	Water EPA Loan			
2005	19,890,000	5,510,000	222,046	38,939	110,000	-	3,125,735	28,896,720	0.17%	576.69
2006	25,567,750	5,510,000	77,035	30,000	2,176,538	2,255,712	2,812,835	38,429,870	2.25%	760.70
2007	56,579,850	5,510,000	-	-	3,768,438	4,251,712	2,491,842	72,601,842	3.91%	1,410.68
2008	56,754,451	5,510,000	-	-	4,356,593	3,388,956	2,162,547	72,172,547	3.75%	1,395.37
2009	66,655,551	5,510,000	-	-	4,355,492	3,388,956	1,824,734	81,734,733	4.05%	1,572.43
2010	71,884,994	5,485,000	-	-	4,328,788	3,376,219	2,435,877	87,510,878	4.37%	1,675.27
2011	73,372,164	5,400,000	-	-	4,285,337	3,342,500	3,718,424	90,118,425	4.41%	1,716.64
2012	72,657,032	5,150,000	-	-	4,238,467	3,104,501	2,763,924	87,913,924	4.09%	1,666.39
2013	72,359,901	4,870,000	-	-	4,085,881	2,904,218	2,282,789	86,502,790	4.32%	1,639.65
2014	71,156,618	4,550,000	-	-	4,034,986	2,863,395	2,216,255	84,821,254	3.63%	1,574.85

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 139 for personal income and population data.

Note: The totals do not include bond premiums or any deferred inflows or outflows of resources on refunding.

Town of Normal
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Percentage of Taxable Retail Sales	Taxable Retail Sales	Per Capita (2)
2005	25,400,000	4.6%	550,777,600	507.00
2006	31,077,750	5.4%	575,733,900	615.00
2007	62,089,850	11.1%	560,023,400	1,206.00
2008	62,264,451	10.5%	595,395,200	1,204.00
2009	72,165,551	11.9%	607,856,000	1,388.00
2010	71,884,994	11.1%	647,667,100	1,376.00
2011	73,372,164	10.1%	723,037,100	1,398.00
2012	72,657,032	9.1%	801,389,600	1,377.00
2013	72,359,901	8.5%	846,741,400	1,730.44
2014	71,156,618	8.2%	864,329,000	1,638.46

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Note: The totals do not include bond premiums or any deferred inflows or outflows of resources on refunding.

(1) This amount excludes Water and Sewer as those obligations are paid from non-sales tax revenues.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 139.

Town of Normal
Direct and Overlapping Governmental Activities Debt
As of March 31, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Bloomington Normal Airport Authority	\$ 15,480,000	32.2%	\$ 4,986,148
Normal School District #5	167,255,000	39.9%	66,755,779
McLean County	13,265,162	22.7%	3,006,420
Heartland Community College	79,460,000	23.9%	<u>19,025,604</u>
Subtotal, Overlapping Debt			\$ 93,773,951
Town direct debt			<u>84,821,254</u>
Total direct and overlapping debt			<u><u>\$ 178,595,205</u></u>

Source: Governmental unit as listed.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the tax base of the Town. The debt outstanding comes from the individual entities' CAFRs.

* This amount represents the percentage of the listed governmental unit's assessed value that is within the assessed value boundaries of the Town of Normal. The assessed values for all governmental entities listed were obtained from the McLean County Clerk's Office.

TOWN OF NORMAL, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN

March 31, 2014

The Town is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property....(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent....indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date, the General Assembly has set no limits for home rule municipalities.

Town of Normal
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2004-2005	50,108	1,678,768,324	33,503	3.9%
2005-2006	50,519	1,713,654,999	33,921	3.4%
2006-2007	51,466	1,736,411,374	33,739	3.2%
2007-2008	51,723	1,864,303,812	36,044	3.7%
2008-2009	51,980	1,935,111,440	37,228	5.3%
2009-2010	52,237	2,030,191,005	38,865	5.6%
2010-2011	52,497	2,041,188,354	38,882	6.2%
2011-2012	52,757	2,147,684,713	40,709	6.5%
2012-2013	52,972	2,215,077,152	41,816	6.7%
2013-2014	53,860	2,339,085,940	43,429	7.0%

Source:

1. Population figures were determined by staff using available U.S. Census Bureau information and staff estimates.
2. Per Capita Personal Income obtained from the Bureau of Economic Analysis
3. Unemployment Rate information obtained from the Illinois Department of Employment Security.

Town of Normal
Principal Employers
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State Farm Insurance	14,765	1	23.78%	14,132	1	22.96%
Illinois State University	3,289	2	5.30%	3,211	2	5.22%
County Insurance and Financial Services	1,949	3	3.14%	2,289	3	3.72%
Unit 5 School District	1,576	4	2.54%	1,487	6	2.42%
Mitsubishi Motor Manufacturing	1,251	5	2.01%	1,979	4	3.21%
Tek Systems	1,131	6	1.82%	-	****	0.00%
OSF-St. Joseph Medical Center	1,012	7	1.63%	974	8	1.58%
McLean County	812	8	1.31%	892	9	1.45%
Advocate BroMenn Medical center	791	9	1.27%	1,950	5	3.17%
City of Bloomington	765	10	1.23%	863	11	1.40%
Total Bloomington-Normal Employed	62,099		44.03%	61,557		45.12%

Source: Current year information was obtained from the Economic Development Council for the Bloomington-Normal Area - 2014 and 2005 Demographic Profile Report. All information is for the Bloomington-Normal area, as specific data is not available for each municipality separately. Total employed was obtained from the Illinois Department of Employment Security (Illinois Workforce Info Center).

**** Tek Systems was not included in the top 30 employers

Town of Normal
 Full-time Equivalent Town Government Employees by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
Administration	5	5	4	4	4	4	5	5	5	4
CIRBN										3
Clerk	2	2	2	2	2	2	2	2	2	2
Corporation Council	5	4	3	3	3	3	3	3	3	3
Marketing & Communications										1
Facility Management	7	7	9	9	8	8	8	9	11	13
Finance	10	10	9	9	9.5	9	9	13	13	13
Human Resources	3	3	4	4	3	3	2	2	3	2
Information Technology	6	6	6	6	5.5	6	6	6	6	6
Purchasing	2	2	2	2	2	2	2			
Public Safety										
Fire										
Firefighters and officers	56	56	63	63	63	63	63	63	63	63
Civilians	4	4	4	4	4	4	4	4	4	4
Police										
Officers	74	77	79	79	78	78	78	79	79	79
Civilians	10	10	12	12	14	13	13	13	13	14
Inspections	16	16	16	16	15	11	11	11	11	11
Highway and Streets										
Engineering	10	9	9	9	10	9	9	9	9	9
Public Works	26	26	28	28	27	24	22	23	23	23
Community Development										
Sanitation	2	2	2	2	3	2	2	2	2	3
Parks and Recreation	10	10	10	10	10	10	10	11	12	12
Library	31	34	37	37	37	38	37	37	39	40
Sewer	23	23	23	24	27	25	25	24	24	23
Water	8	9	11	11	11.5	11.5	11.5	11.5	11.5	11.5
Total	31	33	33	33	32.5	32.5	32.5	32.5	32.5	32.5
Total	341	348	366	367	369	358	355	360	366	372

Source: FT Authorized Employees (Budget)

Town of Normal
 Operating Indicators by Function/Program
 Last Ten Calendar Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fire										
Ambulance Runs	2,955	3,215	3,302	3,456	3,531	3,731	4,002	4,269	4,541	4,663
Fire Responses	2,155	2,107	2,077	2,113	2,495	1,384	1,139	1,056	1,189	1,095
Inspections	3,082	2,799	2,768	2,762	2,751	2,531	3,108	2,074	2,056	2,885
Police										
Police Arrests	2,674	2,903	2,224	2,581	2,356	2,188	2,126	2,003	2,008	2,285
Ordinance Violations	2,206	2,139	2,258	2,613	2,359	2,652	2,820	2,543	2,284	2,731
Traffic Violations	12,022	9,634	13,818	13,015	12,606	14,070	14,050	13,184	13,375	14,217
Inspections										
Permits Issued	1,144	1,107	1,005	1,038	1,139	1,074	1,072	976	1,078	1,146
Refuse Collection										
Refuse Tons Collected	8,928	8,983	9,047	9,317	9,422	9,347	9,076	8,779	8,518	8,335
Tons of Recyclables Collected	12,433	12,587	12,822	13,180	13,579	13,780	4,369	4,150	3,865	3,667
Other Public Works										
Potholes Repaired (tons)	69	88	93	75	122	217	240	157	88	131
Curb Miles- Street Sweeper	4,610	3,933	4,829	11,171	10,784	8,760	10,509	12,716	12,004	10,677
Parks and Recreation										
Swimming Pool Admissions (two locations)	97,278	79,649	114,678	117,592	101,969	70,044	112,832	91,995	113,081	94,821
Museum Attendance		64,506	136,146	130,165	132,500	134,000	149,122	152,501	141,859	138,001
Theater Attendance	34,732	34,800	36,048	30,795	31,075	27,246	28,900	33,442	33,439	30,424
Golf Rounds Played	29,468	31,019	26,015	23,464	23,999	24,337	25,110	23,946	24,844	24,500
Library										
Volumes in Collection	175,500	180,000	190,827	177,459	175,635	186,121	190,216	188,278	194,940	198,456
Water										
New Connections	504	498	371	225	227	332	208	227	218	196
Water Main Breaks	51	41	60	37	45	32	65	43	53	48
Average Daily Consumption (gallons)	4,500,000	4,600,000	4,500,000	4,500,000	4,600,000	4,400,000	4,300,000	4,320,000	4,150,000	3,975,000
Number of Water Accounts	14,606	15,000	14,969	15,550	15,880	16,176	16,473	16,700	16,918	17,114
Sewers										
Sanitary Sewers (miles)	154	158	158	160	174	174	175	174	174	168
Storm Sewers (miles)	93	94	94	100	101	101	111	102	109	130

Source: Various Town departments

Town of Normal
Capital Asset Statistics by Function/Program
Last Ten Calendar Years

<u>Function/Program</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Highway and streets										
Streets (miles)	154	156	156	167	168	168	175	213	215	216
Streetlights	2,389	2,645	2,897	3,304	3,338	3,375	3,393	3,405	2,889	3,007
Equipment maintenance										
Vehicles maintained	258	265	279	275	286	299	301	301	309	307
Culture and recreation										
Number of parks	19	18	18	18	17	17	17	17	18	18
Acres of parks	370	365	370	370	385	360	374	370	370	370
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Acres of golf courses	300	300	300	300	300	300	300	300	300	300
Water										
Water mains (miles)	180	190	180	188	191	195	244	198	199	250
Maximum available daily supply (gal)	7,260,000	7,260,000	7,190,000	11,500,000*	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Fire hydrants	1,807	1,896	1,943	1,971	2,042	2,098	2,180	2,225	2,410	2,513
Sewer										
Sanitary sewers (miles)	157	158	158	160	174	174	175	174	174	168
Storm sewers (miles)	93	94	94	100	101	101	111	102	109	130

Source: Various Town departments

* The refurbishing of several old wells increased the daily water supply in 2007.

APPENDIX C

Form of Legal Opinion

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF HART, SOUTHWORTH & WITSMAN]

[TO BE DATED CLOSING DATE]

Town of Normal, Illinois
11 Uptown Circle
P.O. Box 589
Normal, Illinois 61761

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the \$9,155,000 General Obligation Bonds, Series 2014 (the “Bonds”) of the Town of Normal, Illinois (the “Town”), a municipal corporation and a home rule unit of the State of Illinois situated in the County of McLean, Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, the Omnibus Bond Acts, 5 ILCS 70/8 as supplemented and amended, and by virtue of Ordinance No. 5560 adopted by the Board of Trustees of the Town on October 6, 2014 (the “Bond Ordinance”).

The Bonds mature on June 1 in each of the following years in the respective principal amount set opposite each such year, and the Bonds maturing in each such year bear interest from their date payable on June 1 and December 1 of each year commencing June 1, 2015 at the respective rate of interest per annum set forth opposite such year in the following table:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2016	340,000	3.00
2017	350,000	3.00
2018	360,000	3.00
2019	370,000	4.00
2020	385,000	4.00
2021	400,000	4.00
2022	415,000	4.00
2023	435,000	4.00
2024	450,000	4.00
2025	470,000	4.00
2026	490,000	4.00
2028	1,040,000	4.00
2030	1,120,000	4.00
2032	1,215,000	4.00
2034	1,315,000	4.00

In our opinion, the Bonds are valid and legally binding full faith and credit general obligations of the Town and the Town is obligated to levy ad valorem taxes upon all the taxable property within the Town for the payment of the Bonds and the interest thereon without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, 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.

It is our opinion that, subject to the condition that the Town comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants of the Town could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is our opinion that the Bonds have been designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering the opinions given above, we have relied upon and assumed the material accuracy of the Town's representations, statements of reasonable expectations and certifications of fact contained in the Bond Ordinance and other certificates of the Town which we have not independently verified, and upon the opinion of counsel to the Town. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. Our opinion is given as of the date hereof and we assume no obligation to revise or supplement our opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: _____
Mike Southworth

ORDER TO AUTHENTICATE AND DELIVER BONDS

U.S. Bank National Association
Indianapolis, Indiana

Re: \$9,155,000 Town of Normal, Illinois, General Obligation Bonds, Series 2014

The Town of Normal, Illinois (the "Town") does hereby deliver to you as Bond Registrar, duly executed on behalf of the Town, \$9,155,000 principal amount of the above-captioned bond issue (the "Bonds") represented by bonds numbered R-1 through R-15 and authorized to be issued under the Ordinance No. 5560 adopted October 6, 2014 and the Town's Bond Order dated November 18, 2014 (collectively, the "Bond Ordinance").

1. The Bonds are dated of even date herewith, mature on June 1 in each of the following years in the respective principal amount set opposite each such year, and the Bonds maturing in each such year bear interest from their date payable on June 1 and December 1 in each year commencing June 1, 2015 at the respective rate of interest per annum, set forth opposite such year as follows:

<u>Bond</u> <u>Number</u>	<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Interest</u> <u>Rate (%)</u>
R-1	2016	340,000	3.00
R-2	2017	350,000	3.00
R-3	2018	360,000	3.00
R-4	2019	370,000	4.00
R-5	2020	385,000	4.00
R-6	2021	400,000	4.00
R-7	2022	415,000	4.00
R-8	2023	435,000	4.00
R-9	2024	450,000	4.00
R-10	2025	470,000	4.00
R-11	2026	490,000	4.00
R-12	2028	1,040,000	4.00
R-13	2030	1,120,000	4.00
R-14	2032	1,215,000	4.00
R-15	2034	1,315,000	4.00

We authorize and direct you, as Bond Registrar, pursuant to the Bond Ordinance, to authenticate the Bonds and deliver the Bonds so authenticated to The Depository Trust Company, New York, New York, according to the full-book-entry registration provisions of the Bond Ordinance, as directed by Mesirov Financial, Inc., Chicago, Illinois, the underwriter thereof,

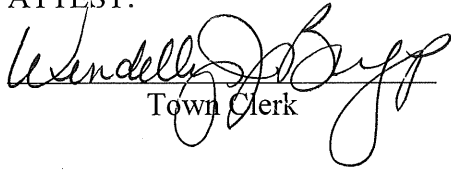
provided that there shall have been paid to the Town prior to or concurrently with the issuance of the Bonds the agreed purchase price of the Bonds.

Dated this December 4, 2014.

TOWN OF NORMAL, ILLINOIS,

By: 
President

(SEAL)
ATTEST:


Town Clerk

CERTIFICATE OF BOND REGISTRAR AND PAYING AGENT

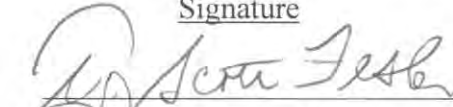

We, the undersigned, do hereby certify that we are officers of U.S. Bank National Association, Indianapolis, Indiana (the "Bond Registrar"), and as such officers we do further certify as follows:

1. U.S. Bank National Association, Indianapolis, Indiana has been appointed bond registrar and paying agent (the "Bond Registrar") for the \$9,155,000 General Obligation Bonds Series 2014, dated as of the date hereof (the "Bonds") of the Town of Normal, Illinois (the "Town") pursuant to Ordinance No. 5560 adopted by the Board of Trustees of the Town on October 6, 2014 and the Town's Bond Order dated November 18, 2014 (collectively, the "Bond Ordinance").

2. The Bond Registrar has heretofore and does hereby accept the duties as bond registrar and paying agent so imposed by the Bond Ordinance.

3. Pursuant to proper authorization and direction from the Town dated as of the date hereof, the Bond Registrar has authenticated and delivered Bonds in the amount of \$9,155,000 to The Depository Trust Company upon the order of the underwriter of the Bonds, Mesirow Financial, Inc., Chicago, Illinois.

4. That each of the persons named below is an authorized Agent of the Bond Registrar; one or more of such persons, in accordance with the provisions of the Bond Ordinance, are duly authorized and empowered to authenticate and did authenticate on the date hereof the Bonds issued under the Bond Ordinance and the signature appearing after the name of each such person as follows is a true and correct specimen of each such person's genuine signature:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
<u>T. Scott Fesler</u>	<u>Vice President</u>	
<u>Lois M. Moore</u>	<u>Trust Officer</u>	
_____	_____	_____
_____	_____	_____

5. That the Bond Registrar has full power and authority under the applicable laws of the United States of America and the State of Illinois to act as bond registrar and paying agent for the Bonds in the manner contemplated by the Bond Ordinance; it has taken all necessary corporate action by its properly authorized officers, employees or agents to accept said offices and duties; and the undersigned are duly qualified and acting officers of the Bond Registrar as indicated by the titles set under their names and are authorized by the Bond Registrar to execute and attest this Certificate.

6. The Bond Registrar acknowledges receipt of a certified copy of the Bond Ordinance.

IN WITNESS WHEREOF, we hereunto affix our signatures and the seal of the Bond Registrar, this December 4, 2014.

U.S. BANK NATIONAL ASSOCIATION

By: Pamela V. Cole
Its Vice President

ATTEST:

Ann M. Forey
Its Vice President

INCUMBENCY, NON-LITIGATION,
COMFORT AND SIGNATURE IDENTIFICATION CERTIFICATE

We, the undersigned, being authorized and directed to sign the bonds hereinafter described, do hereby certify that we are now and were at the time of signing said bonds the duly qualified and acting officials of the Town of Normal, Illinois (the "Town"), as indicated by the titles appended to our respective signatures, and that as such officials we have executed bonds in the amount of \$9,155,000 General Obligation Bonds, Series 2014, of the Town (the "Bonds"), dated as of the date hereof, fully registered and without coupons, by signing the Bonds in the manner and capacity indicated by our respective signatures and titles appended hereto.

We do further certify that there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the Town, the boundaries thereof, the title of any of its present officials to their respective offices, the proceedings incident to the issue or sale of the Bonds or the issue, sale or validity of the Bonds, or the collection of any revenues pledged or to be pledged to pay the principal or interest on the Bonds, and that none of the proceedings providing for the issue or sale of the Bonds have been revoked or rescinded.

We do further certify that all of the certifications, conclusions, expectations, representations and statements made and set forth by the Town in Ordinance No. 5560 adopted on October 6, 2014, authorizing the Bonds and the Bond Order of the Town dated November 18, 2014 (collectively, the "Bond Ordinance") and the Bond Purchase Agreement-dated November 18, 2014 by and between Mesirow Financial, Inc., Chicago, Illinois, and the Town (the "Bond Purchase Agreement") are still reasonable and true; that the foregoing certification is based in part upon the amounts set forth in the Bond Ordinance having actually been received and paid into the various funds and accounts of the Town as set forth in the Bond Ordinance; and that to the best of the knowledge and belief of the undersigned there are no facts, estimates or circumstances that would materially change the foregoing certifications.

We do further certify that no action, suit, inquiry, investigation or other proceeding is pending or threatened in or before any court, governmental agency, the Town, body or arbitrator in any way: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds or the payment, collection or application of the proceeds thereof or the fixing or collection of the fees, rates, charges and revenues or the levy, collection or payment of taxes, other moneys or property, pledged or to be pledged under the Bond Ordinance for the payment of the Bonds; (ii) questioning or affecting the validity of the Bonds or any provisions of the Bond Purchase Agreement, or any of the proceedings taken by the Town with respect to any of the foregoing; or (iii) questioning the creation, organization, boundaries or existence or the titles to office of any of the officers of the Town.

We do further certify that:

(A) the representations and warranties made by the Town in the Bond Ordinance and the Bond Purchase Agreement were true, correct and complete in all respects when made and are so as of today with the same effect as if made today;

(B) the statements and information concerning the Town contained in the Official Statement dated November 18, 2014 with respect to the Bonds (the "Official Statement") are true and correct in all material respects, and the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(C) there is no litigation or proceeding pending or, to the best of our knowledge, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds or the sources of payment of the Bonds as described in the Official Statement, or in any way contesting or affecting the Town for the issuance of the Bonds, or the validity of the Bonds, or affecting or seeking to restrain or enjoin the transactions contemplated by the Bond Purchase Agreement or the Bond Ordinance, or questioning or affecting the validity of the Bond Purchase Agreement or in any way contesting the existence or powers of the Town;



(D) the Town has complied with all agreements and conditions of the Bond Purchase Agreement to be performed or satisfied by the Town at or prior to the issuance and sale of the Bonds;

(E) the Town is in compliance with all continuing disclosure agreements previously delivered by it pursuant to Rule 15c2-12, except as described in the Official Statement;

(F) nothing has come to our attention which causes us to believe that during the period from March 31, 2014 to the date hereof, there has been any material adverse change in the financial condition of the Town from that set forth in the audited financial statements of the Town as of March 31, 2014, included in APPENDIX B to the Official Statement; and

(G) to the best of our knowledge, no event affecting the Town has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the Town, this December 4, 2014.

SIGNATURES



OFFICIAL TITLES
President
Town Clerk (SEAL)

I, Brian Day, do hereby certify that I am Corporation Counsel for the Town of Normal, Illinois, and that I am personally acquainted with the officials whose signatures appear above and that I know that they are now and were at the time of signing the Bonds the duly qualified and acting officials of the Town, as indicated by the titles appended to their respective signatures, and I do hereby identify said signatures, together with those on the Bonds, as being in all respects true and genuine.

Dated as of the date shown hereinabove.



Brian Day

CERTIFICATE OF DELIVERY AND PAYMENT


I, Andrew Huhn, Finance Director of the Town of Normal, Illinois (the "Town"),
HEREBY CERTIFY as follows:

1. That on December 4, 2014, there were delivered to Mesirow Financial, Inc., Chicago, Illinois (the "Underwriter"), \$9,155,000 General Obligation Bonds, Series 2014 of the Town (the "Bonds") and authorized to be issued under Ordinance No. 5560 adopted October 6, 2014 and the Town's Bond Order dated November 18, 2014.

2. At the time of that delivery, the Town received full payment for the Bonds from the Underwriter, computed as follows:

Principal Amount	\$9,155,000.00
Premium/Discount	\$784,312.85
Less Underwriter's Discount	<u>(\$54,472.25)</u>
Total	<u>\$9,884,840.60</u>

IN WITNESS WHEREOF, I have hereunto set my hand this December 4 2014.



Finance Director
Town of Normal, Illinois

UNDERWRITER'S CERTIFICATE AND RECEIPT FOR BONDS

Mesirow Financial, Inc., Chicago, Illinois (the "Underwriter"), hereby acknowledges receipt this day of the \$9,155,000 General Obligation Bonds, Series 2014 (the "Bonds"), of the Town of Normal, McLean County, Illinois (the "Town") and of the approving legal opinion of Hart, Southworth & Witsman, and the Underwriter, by execution of this receipt, consents to delivery of the Bonds at this time and acknowledges that the Town has fully performed all terms and conditions of the agreement for the purchase of the Bonds between the Underwriter and the Town. In connection with the purchase of the Bonds, the Underwriter certifies that:

1. The Bonds were the subject of a bona fide initial public offering to the public on November 18, 2014 (the "Sale Date") for money at the price shown in the following table (as used in this Certificate, the term "public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers):

<u>Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (%)</u>
2016	340,000	3.00	103.558
2017	350,000	3.00	105.416
2018	360,000	3.00	106.668
2019	370,000	4.00	111.511
2020	385,000	4.00	112.289
2021	400,000	4.00	112.443
2022	415,000	4.00	112.369
2023	435,000	4.00	112.634
2024	450,000	4.00	112.874
2025	470,000	4.00	111.530
2026	490,000	4.00	110.204
2028	1,040,000	4.00	108.206
2030	1,120,000	4.00	107.351
2032	1,215,000	4.00	106.503
2034	1,315,000	4.00	105.664

2. On the Sale Date, based upon the Underwriter's assessment of then prevailing market conditions, the Underwriter reasonably expected that the price for the Bonds of each maturity as set forth in the above table was not less than the fair market value to the public of the Bonds of such maturity.

3. On the Sale Date, the Underwriter reasonably expected that (a) the first sale to the public of an amount of Bonds of each of the 2016, 2017, 2018, 2019, 2030 and 2032 maturities (the "Non-Dealer Maturities") equal to ten percent or more of such maturities of the Bonds (the "First Substantial Block") would be at the price for such maturities as set forth in the above table

and (b) no Bonds of the Non-Dealer Maturities would be sold at a higher price before the First Substantial Block of Bonds of each of such maturities was sold to the public at the price set forth in the above table.

4. The Bonds maturing in the years 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2028, and 2034 (the “Dealer Maturities”) were sold to dealers on the Sale Date and on the Sale Date the Underwriter reasonably expected that (a) the First Substantial Block of each of the Dealer Maturities would be resold by such dealers to the public at a price no higher than the price listed below for such maturity and (b) no Bonds of the Dealer Maturities would be sold at a higher price before the First Substantial Block of Bonds of each such maturity was sold to the public at or below the following listed price for such maturity:

<u>Maturity</u>	<u>Price (%)</u>
2020	112.737
2021	112.768
2022	113.107
2023	113.045
2024	113.781
2025	112.604
2026	111.263
2028	109.069
2034	106.503

5. Attached hereto as Exhibit A are the relevant pages from the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access website that support the certifications contained herein.

6. Based upon the foregoing, the initial offering price at which the Underwriter reasonably expected the First Substantial Block of each maturity of the Bonds to be sold to the public on the Sale Date is set forth in the following table (the “Initial Offering Price”):

<u>Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (%)</u>	<u>Initial Offering Price (\$)</u>
2016	340,000	3.00	103.558	352,097.20
2017	350,000	3.00	105.416	368,956.00
2018	360,000	3.00	106.668	384,004.80
2019	370,000	4.00	111.511	412,590.70
2020	385,000	4.00	112.737	434,037.45
2021	400,000	4.00	112.768	451,072.00
2022	415,000	4.00	113.107	469,394.05
2023	435,000	4.00	113.045	491,745.75

<u>Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (%)</u>	<u>Initial Offering Price (\$)</u>
2024	450,000	4.00	113.781	512,014.50
2025	470,000	4.00	112.604	529,238.80
2026	490,000	4.00	111.263	545,188.70
2028	1,040,000	4.00	109.069	1,134,317.60
2030	1,120,000	4.00	107.351	1,202,331.20
2032	1,215,000	4.00	106.503	1,294,011.45
2034	1,315,000	4.00	106.503	1,400,514.45

7. The aggregate Initial Offering Price for the Bonds as of the Sale Date is \$9,981,514.65.

8. The weighted average maturity of the Bonds is 11.5930 years, calculated in the following manner: divide (a) the sum of the products determined by taking the Initial Offering Price of each maturity of the Bonds times the number of years from the date hereof to the date of such maturity (treating the mandatory redemption of a bond as a maturity), by (b) the aggregate Initial Offering Price of the Bonds.

9. The bond yield of the Bonds is no less than 2.6950%, calculated by determining the discount rate that, when used in computing the present value as of this date of all unconditionally payable payments of principal and interest produces an amount equal to the aggregate Initial Offering Price of the Bonds computed on the basis of a year consisting of 360 days and semi-annual compounding.

This Certificate may be relied upon by the Town for its Tax Compliance Certificate and Agreement and Form 8038-G given in connection with the issuance of the Bonds.

IN WITNESS WHEREOF, I hereunto affix my official signature this December 4, 2014.

MESIROW FINANCIAL, INC.,
Chicago, Illinois

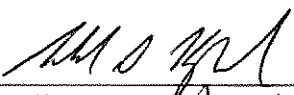
By: 
Its: Managing Director

EXHIBIT A



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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

Dated Date: 12/04/2014

Underwriting Spread Amount: Disclosed in Official Statement

Closing Date: 12/04/2014

Time of Formal Award: 11/18/2014 05:20 PM

Time of First Execution: 11/19/2014 12:30 PM

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Displaying 15 maturities.

CUSIP *	Maturity Date	Interest Rate (%)	Principal Amount At Issuance (\$)	Initial Offering Price (%)	Initial Offering Yield (%)	Security Description *	Current Fitch LT Rating	Current KBRA LT Rating	Current S&P LT Rating
656066NC7	06/01/2016	3	340,000	103.558	0.6				
656066ND5	06/01/2017	3	350,000	105.416	0.8				
656066NE3	06/01/2018	3	360,000	106.668	1.05				
656066NF0	06/01/2019	4	370,000	111.511	1.35				
656066NG8	06/01/2020	4	385,000	112.289	1.65				
656066NH6	06/01/2021	4	400,000	112.443	1.95				
656066NJ2	06/01/2022	4	415,000	112.369	2.2				
656066NK9	06/01/2023	4	435,000	112.634	2.35				
656066NL7	06/01/2024	4	450,000	112.874	2.47				
656066NM5	06/01/2025	4	470,000	111.53	2.62				
656066NN3	06/01/2026	4	490,000	110.204	2.77				
656066NQ6	06/01/2028	4	1,040,000	108.206	3				
656066NS2	06/01/2030	4	1,120,000	107.351	3.1				
656066NU7	06/01/2032	4	1,215,000	106.503	3.2				
656066NV3	06/01/2034	4	1,315,000	105.664	3.3				

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NC7*

Dated Date: 12/04/2014

Maturity Date: 06/01/2016

Interest Rate: 3.0 %

Principal Amount At Issuance: \$340,000

Initial Offering Price: 103.558

Initial Offering Yield: 0.6

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:00 PM	12/04/2014	103.558	0.6	340,000	Customer bought	W L

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NEW ISSUE ?

TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066ND5*

Dated Date: 12/04/2014

Maturity Date: 06/01/2017

Interest Rate: 3.0 %

Principal Amount At Issuance: \$350,000

Initial Offering Price: 105.416

Initial Offering Yield: 0.8

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:00 PM	12/04/2014	105.416	0.8	150,000	Inter-dealer trade	W
11/19/2014 01:00 PM	12/04/2014	105.416	0.8	150,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	105.416	0.8	200,000	Customer bought	W L

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NE3*

Dated Date: 12/04/2014

Maturity Date: 06/01/2018

Interest Rate: 3.0 %

Principal Amount At Issuance: \$360,000

Initial Offering Price: 106.668

Initial Offering Yield: 1.05

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:06 PM	12/04/2014	106.668	1.05	360,000	Inter-dealer trade	W
11/19/2014 01:00 PM	12/04/2014	106.668	1.05	360,000	Customer bought	W

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NFD*

Dated Date: 12/04/2014

Maturity Date: 06/01/2019

Interest Rate: 4.0 %

Principal Amount At Issuance: \$370,000

Initial Offering Price: 111.511

Initial Offering Yield: 1.35

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:00 PM	12/04/2014	111.511	1.35	370,000	Customer bought	W L

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NG8*

Dated Date: 12/04/2014**Maturity Date:** 06/01/2020**Interest Rate:** 4.0 %**Principal Amount At Issuance:** \$385,000**Initial Offering Price:** 112.289**Initial Offering Yield:** 1.65

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 02:56 PM	12/04/2014	112.737	1.57	385,000	Customer bought	<input type="checkbox"/>
11/19/2014 01:00 PM	12/04/2014	112.289	1.65	385,000	Inter-dealer trade	<input type="checkbox"/>

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NH6*

Dated Date: 12/04/2014

Maturity Date: 06/01/2021

Interest Rate: 4.0 %

Principal Amount At Issuance: \$400,000

Initial Offering Price: 112.443

Initial Offering Yield: 1.95

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:08 PM	12/04/2014	112.768	1.9	400,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	112.443	1.95	400,000	Inter-dealer trade	W

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NORMAL ILL (IL)*

CUSIP: 656066NJ2*

Dated Date: 12/04/2014

Maturity Date: 06/01/2022

Interest Rate: 4.0 %

Principal Amount At Issuance: \$415,000

Initial Offering Price: 112.369

Initial Offering Yield: 2.2

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 03:07 PM	12/04/2014	113.107	2.1	415,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	112.369	2.2	415,000	Inter-dealer trade	W

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NK9*

Dated Date: 12/04/2014

Maturity Date: 06/01/2023

Interest Rate: 4.0 %

Principal Amount At Issuance: \$435,000

Initial Offering Price: 112.634

Initial Offering Yield: 2.35

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:11 PM	12/04/2014	113.045	2.3	435,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	112.634	2.35	435,000	Inter-dealer trade	W

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NL7*

Dated Date: 12/04/2014

Maturity Date: 06/01/2024

Interest Rate: 4.0 %

Principal Amount At Issuance: \$450,000

Initial Offering Price: 112.874

Initial Offering Yield: 2.47

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 03:18 PM	12/04/2014	113.781	2.37	450,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	112.874	2.47	450,000	Inter-dealer trade	W

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NM5*

Dated Date: 12/04/2014

Maturity Date: 06/01/2025

Interest Rate: 4.0 %

Principal Amount At Issuance: \$470,000

Initial Offering Price: 111.53

Initial Offering Yield: 2.62

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:10 PM	12/04/2014	112.604	2.5	470,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	111.53	-	470,000	Inter-dealer trade	W

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NN3*

Dated Date: 12/04/2014

Maturity Date: 06/01/2026

Interest Rate: 4.0 %

Principal Amount At Issuance: \$490,000

Initial Offering Price: 110.204

Initial Offering Yield: 2.77

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:11 PM	12/04/2014	111.263	2.65	490,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	110.204	-	490,000	Inter-dealer trade	W

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NQ6*

Dated Date: 12/04/2014

Maturity Date: 06/01/2028

Interest Rate: 4.0 %

Principal Amount At Issuance: \$1,040,000

Initial Offering Price: 108.206

Initial Offering Yield: 3.0

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 02:48 PM	12/04/2014	109.069	2.9	1,040,000	Customer bought	W
11/19/2014 01:00 PM	12/04/2014	108.206	-	1,040,000	Inter-dealer trade	W

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TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NS2*

Dated Date: 12/04/2014

Maturity Date: 06/01/2030

Interest Rate: 4.0 %

Principal Amount At Issuance: \$1,120,000

Initial Offering Price: 107.351

Initial Offering Yield: 3.1

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 01:36 PM	12/04/2014	107.351	3.1	1,120,000	Customer bought	W

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Security Details

NEW ISSUE ?

TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NU7*

Dated Date: 12/04/2014

Maturity Date: 06/01/2032

Interest Rate: 4.0 %

Principal Amount At Issuance: \$1,215,000

Initial Offering Price: 106.503

Initial Offering Yield: 3.2

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NORMAL ILL

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/19/2014 03:33 PM	12/04/2014	106.503	3.2	750,000	Customer bought	
11/19/2014 03:18 PM	12/04/2014	107.351	3.1	465,000	Customer bought	
11/19/2014 01:24 PM	12/04/2014	106.503	-	750,000	Inter-dealer trade	
11/19/2014 01:00 PM	12/04/2014	106.503	-	465,000	Inter-dealer trade	

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1.0.14287.1000-42-A



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Security Details

NEW ISSUE ?

TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS GENERAL OBLIGATION BONDS, SERIES 2014 (IL)

NORMAL ILL (IL)*

CUSIP: 656066NW3*

Dated Date: 12/04/2014

Maturity Date: 06/01/2034

Interest Rate: 4.0 %

Principal Amount At Issuance: \$1,315,000

Initial Offering Price: 105.664

Initial Offering Yield: 3.3

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NORMAL ILL

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Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amount (\$)	Trade Type	Special Condition
11/20/2014 09:46 AM	12/04/2014	106.503	3.2	655,000	Customer bought	
11/19/2014 02:39 PM	12/04/2014	106.503	3.2	660,000	Customer bought	
11/19/2014 01:00 PM	12/04/2014	105.664	-	655,000	Inter-dealer trade	
11/19/2014 01:00 PM	12/04/2014	105.664	-	660,000	Inter-dealer trade	

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1.0.14287.1000-42-A

TAX COMPLIANCE CERTIFICATE AND AGREEMENT

THIS TAX COMPLIANCE CERTIFICATE AND AGREEMENT (this "Certificate") is made on December 4, 2014 (the "Closing Date") by the Town of Normal, McLean County, Illinois (the "Town").

WITNESSETH:

This Certificate is being executed and delivered in connection with the issuance by the Town of its General Obligation Bonds, Series 2014 in the aggregate principal face amount of \$9,155,000 (the "Bonds") authorized to be issued under the Town's Ordinance No. 5560 adopted October 6, 2014 and the Town's Bond Order dated November 18, 2014 (collectively, the "Bond Ordinance").

The Town recognizes that under the Internal Revenue Code of 1986, as amended (the "Code"), the tax exempt status of the interest received by the owners of the Bonds is dependent on, among other things, the facts, circumstances, and reasonable expectations of the Town as to future facts in existence at this time, as well as the observance of certain covenants in the future. The Town covenants that it will take such action with respect to the Bonds as may be required by the Code and pertinent legal regulations issued thereunder, in order to establish and maintain the tax exempt status of the Bonds, including the observance of all specific covenants contained in this Certificate. In furtherance thereof, the Written Procedures attached hereto as Schedule A have been approved and adopted by the Town and are incorporated herein.

The Town acknowledges that under present rules, the Town may be treated as a "taxpayer" in an examination by the Internal Revenue Service of the exclusion of the interest on the Bonds from federal income tax and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

ARTICLE I DEFINITIONS

Except as otherwise herein defined, the terms defined in the Bond Ordinance shall for all purposes of this Certificate have the meanings therein specified, unless the context clearly requires otherwise. In addition, the following words and phrases shall have the following meanings herein:

"Bonds" means the \$9,155,000 Town of Normal, McLean County, Illinois General Obligation Bonds, Series 2014.

"Applicable Acts" means collectively, Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, as supplemented by the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, all as supplemented and amended.

"Adjusted Gross Proceeds" means Gross Proceeds less amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the

Closing Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period described in Article VI of this Certificate, or the 18-month spending period described in Article VI of this Certificate, as appropriate, (iv) representing Sale or Investment Proceeds derived from payments under any “purpose investment” (as defined in the Regulations) allocated to the Bonds, and (v) representing payments of “grants” (as defined in the Regulations) financed by the Bonds.

“Available Construction Proceeds” means the portion of the proceeds and investment earning used for construction expenditures within the meaning of Section 148(f)(4)(C) of the Code.

“Bond and Interest Account” means the Bond and Interest Account created and established pursuant to the Bond Ordinance.

“Bond Counsel” means, with respect to the original issuance of the Bonds, Hart, Southworth & Witsman, Springfield, Illinois, and thereafter any firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the Town.

“Bond Year” means a one-year-period beginning on December 1 and ending on the last day of the next succeeding November.

“Capital Expenditures” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the Town were treated as a corporation subject to federal income taxation.

“Closing Date” means December 4, 2014.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commingled Fund” means any fund or account if (i) the fund or account contains both Gross Proceeds of the Bonds and amounts in excess of \$25,000 that are not Gross Proceeds of the Bonds, and (ii) amounts in the fund or account are invested collectively without regard to the source of funds deposited in the fund or account. For this purpose, an open-end regulated investment company (as defined in Section 851 of the Code) is not a Commingled Fund.

“Computation Period” means each period from the date of issue through each Rebate Determination Date.

“Consultant” means such firm of nationally recognized independent certified accountants or other firm of professionals experienced in arbitrage rebate matters as consultants appointed from time to time by the Town to make the calculations and determinations described in Section 601 hereof.

“Control” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

“Controlled Entity” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“Controlled Group” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has the Control of the other entities.

“Controlling Entity” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“Corporate Authorities” means the President and Board of Trustees of the Town.

“Costs of Issuance” means all costs incurred in connection with the issuance of the Bonds.

“Determination of Rebate Deficiency” means a judgment or order of a court of competent jurisdiction, or a final ruling, technical advice or decision of the Internal Revenue Service, or a written opinion of Bond Counsel (selected by the Town) to the effect that insufficient amounts have been paid to the United States of America pursuant to Section 148(f) of the Code and stating the amount of the deficiency (including interest and penalties, if any) then due. For purposes of this definition, a ruling or decision of the Internal Revenue Service shall be considered final if no appeal or action for a judicial review has been filed and the time for filing of such appeal has expired.

“Excess Earnings Report” means the calculation by a Consultant of the Rebate Amount due on the Bonds.

“Fair Market Value” of an investment means the fair market value, including accrued interest, of such investment as determined under Section 1.148-5(d)(6) of the Regulations at the time it becomes a Nonpurpose Investment.

“Grant” means payment by the Town of its portion of the construction costs of a hotel project, as defined in the Bond Ordinance.

“Investment Property” shall have the meaning given to such term in Section 148(b)(2) of the Code.

“Issue Price” means the initial offering price to the public (excluding bond houses, brokers or underwriters) at which price a substantial amount of the Bonds were sold, namely \$9,981,514.65 for the Bonds as certified by the Underwriter.

“Nonpurpose Investment” means any investment of Gross Proceeds of the Bonds in Investment Property or any Investment Property which is otherwise allocable to the Bonds other than “purpose investments” (as defined in the Regulations).

“Pledged Taxes” means the taxes pledged to the payment of the Bonds pursuant to the Bond Ordinance.

“Proceeds,” “Gross Proceeds,” “Investment Proceeds” and “Net Sale Proceeds” shall have the meanings ascribed to them in § 1.148-1(b) of the Regulations.

“Project” means the design, construction and installation of the Town’s fire station and defined as the Project in the Bond Ordinance.

“Project Account” means the 2014 Project Account created and established pursuant to the Bond Ordinance.

“Rebate Account” means the Rebate Account created and established pursuant to Section 19 of the Bond Ordinance.

“Rebate Amount” means the amount required to be paid to the United States Government with respect to each Rebate Determination Date pursuant to Section 1.148-3 of the Regulations.

“Rebate Determination Date” means each of the following dates: (a) December 1, 2019 (the “Initial Determination Date”); (b) every fifth anniversary of the Initial Determination Date; and (c) the earlier of the scheduled final maturity date of the Bonds or any date prior thereto on which all outstanding Bonds are paid and retired.

“Regulations” means those temporary and final Treasury Regulations validly issued under Sections 103 and 141 through 150 of the Code and applicable to the Bonds.

“Replacement Proceeds” means replacement proceeds as defined in Section 1.148-1(c) of the Regulations.

“Tax-Exempt Obligations” means (i) any obligation of investment grade quality, the interest on which is excludable from the gross income of the owner thereof for federal income tax purposes under Section 103(a) of the Code and which is not a specified private activity bond as defined in Section 57(a)(5)(c) of the Code and (ii) shares of a trust or corporation taxable as a regulated investment company under Section 85(a) of the Code which invests all (100%) of its assets in obligations described in (i). Generally, a specified private activity bond is a tax-exempt bond the interest on which is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

“Underwriter” means Mesrirow Financial, Inc., Chicago, Illinois, the underwriter with respect to the Bonds.

“Value” means (i) with reference to a Nonpurpose Investment, the value determined under Section 1.148-5(d) of the Regulations and (ii) with reference to the Bonds, the value as determined under Section 1.148-4(e) of the Regulations.

“Written Procedures” means the written procedures attached hereto as Schedule A adopted by the Town to monitor the Town’s compliance with the requirements of Section 148 of the Code and to ensure that all nonqualified bonds are remediated according to the requirements under the Code and Regulations.

“Yield” means yield as calculated in the manner prescribed in Section 1.148-4 with respect to the Bonds and Section 1.148-5 of the Regulations with respect to any other obligations, and generally means that discount rate which when used in computing the present value of all payments of principal of and interest paid and to be paid on an obligation (using semiannual compounding on an assumed 360 day year consisting of twelve 30 day months) produces an amount equal to the obligation’s purchase price, including accrued interest.

Other terms used in this Certificate, unless the context clearly indicates another meaning is intended, shall have the meanings otherwise defined herein or in the Bond Ordinance or as set forth in the Regulations.

ARTICLE II PURPOSE OF THE BONDS; THE PROJECT

Section 201. Purpose of the Bonds. The Bonds are being issued pursuant to the Applicable Acts to provide moneys which will be used to (i) pay certain Costs of Issuance relating to the Bonds and (ii) pay the costs of Capital Expenditures of the Project, and (iii) pay the Grant. The Town acknowledges that if Net Sale Proceeds and investment earnings thereon are spent for impermissible non-Capital Expenditures, a like amount of then available funds of the Town will be treated as unspent Proceeds of the Bonds.

Section 202. Acquisition of Project, Binding Commitment and Timing. The Town reasonably expects construction of the Project to occur. The Town reasonably expects it will incur within six months of the Closing a substantial binding obligation (not subject to contingencies within the control of the Town or any member of the same Controlled Group as the Town) to a third party to expend at least 5% of the Net Sale Proceeds on the Project. No Proceeds of the Bonds will be used to reimburse the Town for costs of the Project previously paid other than in compliance with Regulation 1.150-2. It is expected that Proceeds of the Bonds will be spent (i) to pay Costs of Issuance within 6 months of the Closing Date, (ii) to the pay the Grant by July 31, 2015, and (iii) the balance of the Proceeds from the sale of the Bonds, together with investment earnings thereon, will be spent on Capital Expenditures of the Project with due diligence to completion which is reasonably expected to occur by June 1, 2016. Upon completion of the Project, any unspent Bond Proceeds and investment earnings thereon will be transferred to the Bond and Interest Account, and used either (i) to redeem Bonds on the next interest payment date or (ii) to pay principal of and interest on the Bonds within one year after such amounts have been transferred to such Bond and Interest Account.

Section 203. Designation as Qualified Tax-Exempt Obligations. The Town has designated, and does hereby designate, each of the Bonds as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a “qualified tax-exempt obligation” as provided therein. In support of such designation, the Town certifies:

- (a) none of the Bonds are “private activity bonds” as defined in Section 141(a) of the Code;
- (b) including the Bonds, the Town (including any entities subordinate thereto) has not issued to date and does not reasonably expect to issue qualified tax-exempt obligations (other than private activity bonds) during the calendar year of issuance of the Bonds in an amount in excess of \$9,155,000; and
- (c) including the Bonds, not more than \$9,155,000 of obligations issued by the Town (including any entities subordinate thereto) during the calendar year of issuance of the Bonds have been designated to date or will be designated by the Town for purposes of said Section 265(b)(3).

ARTICLE III CERTIFICATIONS

The Town does hereby certify as follows:

- (a) The undersigned officers of the Town are, along with other officers of the Town, charged with the responsibility of issuing the Bonds.
- (b) The Town covenants that the proceeds of the Bonds will not be used by it other than as described in these certifications.
- (c) The expectations of the Town are correctly set forth below and to the best of the knowledge and belief of the undersigned such expectations are reasonable.
- (d) For the Bonds, the Town will receive the Issue Price. The price received for the Bonds is reasonable and together with the anticipated earnings on the Investment Proceeds of the Bonds, will not exceed the amount expected to be necessary for paying the costs of the Project and the Grant to be financed with the Bonds and Costs of Issuance of the Bonds.
- (e) The amounts received upon the sale of the Bonds is reasonably expected to be used as follows:
 - (1) The sum of \$157,581.05 will be used by the Town to pay Costs of Issuance relating to the Bonds.
 - (2) The sum of \$5,100,000 will be used by the Town to pay the Grant.
 - (3) The remaining amounts received will be used, together with investment earnings thereon, to pay costs of the Project in accordance with the Bond Ordinance.

(f) The Bond and Interest Account was established by the Town as the account to receive the Pledged Taxes in amounts sufficient to pay principal of, redemption premium, if any, and interest on the Bonds. The Pledged Taxes will be deposited in the Bond and Interest Account as received. It is reasonably expected that any Pledged Taxes received by the Town and deposited in the Bond and Interest Account will be used to pay debt service on the Bonds in the order of their receipt by the Town. It is also reasonably expected that (i) all Pledged Taxes paid into the Bond and Interest Account will be spent for debt service on the Bonds within 13 months following receipt of such tax moneys by the Town, (ii) any Pledged Taxes in the Bond and Interest Account carried over from one year to the next (if any) will not exceed the greater of (A) one years' earnings on the moneys in the Bond and Interest Account or (B) 1/12 of the current year's principal and interest payable on the Bonds, and (iii) other than any such carryover and as provided in the last sentence of this paragraph, the Bond and Interest Account will be depleted at least once each year. Interest and other investment earnings in the Bond and Interest Account are reasonably expected to be used by the Town within one year of receipt to pay principal of and interest on the Bonds. Amounts on deposit in the Bond and Interest Account must be yield restricted to a Yield not greater that the Yield on the Bonds if the foregoing expectations are not met.

(g) Except for the Bond and Interest Account, the Town has not created or established, does not expect to create or establish and does not expect any other entity of or related to the Town to create or establish, any sinking fund or other similar fund or account which the Town reasonably expects to hold funds that will be used to pay principal of and interest on the Bonds.

(h) The Bonds were sold on the Closing Date to the Underwriter. Neither the Town nor any member of the same Controlled Group as the Town has sold (nor will they sell within 15 days after the date the Bonds were sold) any other obligations, the interest on which is excluded from gross income for Federal income tax purposes under Section 103(a) of the Code, pursuant to a common plan of financing, which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or will be paid directly or indirectly from the proceeds of the Bonds.

(i) In the Bond Ordinance, the Town has covenanted to ensure that the Bonds will not be arbitrage bonds.

(j) Based on the facts, estimates and circumstances in existence on the date of this Certificate, it is not expected that the proceeds of the Bonds will be used or invested in a manner that could cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code. The expectations of the Town set forth in this Certificate are based on the Town's spending and construction plans and general policies of the Town.

(k) The Bonds are in no part guaranteed, directly or indirectly, by the United States or any of its agencies or instrumentalities. None of the Proceeds of the Bonds will be or have been used to make or finance loans which are in any part, directly or indirectly, guaranteed by the United States or any of its agencies or instrumentalities.

(l) No portion of the Proceeds of the Bonds will be used to replace any amounts invested in Nonpurpose Investments (within the meaning of the Regulations) having a Yield in excess of the Bond Yield. No Replacement Proceeds (within the meaning of the Regulations) are expected to exist in connection with the Bonds because there are no amounts that were expected or required to be used for the governmental purposes of the Bonds if the Bonds had not been issued and the Bonds will not be outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Bonds.

(m) The Project is not expected to be sold or otherwise disposed of in whole or in material part prior to the last maturity of the Bonds.

(n) The Internal Revenue Service has not advised the Town that any listing or proposed listing of the Town as an issuer of bonds whose arbitrage certifications may not be relied upon is contemplated.

(o) Neither the Town nor any member of the same Controlled Group as the Town has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds. The Town acknowledges that any such hedge could affect the calculation of Yield on the Bonds under the Regulations, and that the Internal Revenue Service could recalculate yield on the Bonds if the failure account for the hedge fails to clearly reflect the economic substance of the transaction.

(p) Except for the Bond and Interest Account and the Project Account, and except for any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the Town nor any member of the same Controlled Group as the Town has or will have any property, including cash or securities that constitutes:

- (i) Sale Proceeds;
- (ii) amounts in any fund and account with respect to the Bonds (other than the Rebate Fund);
- (iii) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);
- (iv) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or

liquidity device with respect to the Bonds, even if the Town encounters financial difficulties;

- (v) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of Bondholders or a guarantor of the bonds); or
- (vi) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

**ARTICLE IV
CERTIFICATIONS REGARDING QUALIFICATIONS
OF BONDS AS NOT PRIVATE ACTIVITY BONDS**

The Town does hereby certify with respect to the proceeds of the Bonds as follows:

(a) None of the proceeds of the Bonds will be used to finance facilities to be used in the trade or business of any person other than a unit of state or local government. No property financed with proceeds of the Bonds will be used by any person other than (i) a unit of state or local government or (ii) as a member of the general public.

(b) The payment of the principal of or the interest on the Bonds has not and will not be, directly or indirectly (A) secured by any interest in (i) property used or to be used for a business use by any person other than a state or local governmental unit or (ii) payments in respect of such property or (B) derived from payments (whether or not by or to the Town), in respect of property, or borrowed money, used or to be used for a business use by any person other than a state or local governmental unit. The Bonds are secured by generally applicable taxes and no taxpayer or other party has made a special agreement that results in such taxes as not being treated as generally applicable as defined in Section 1.141-4(e) of the Code. The Town hereby certifies and covenants that it has not entered into and will not enter into any separate agreements with respect to the payment directly, or indirectly, of debt service on the Bonds.

(c) None of the proceeds of the Bonds will be or have been used, directly or indirectly, to make or finance loans to any person other than a unit of state or local government. Including the Grant, no nongovernmental person will derive an economic benefit that could be deemed a loan as a result of the transactions financed with the net proceeds of the Bonds, and no portion of the net proceeds will be transferred to a nongovernmental person in return for a promise to repay such sums.

ARTICLE V
INVESTMENT OF PROCEEDS

Section 501. Fair Market Value.

(a) Whenever the Town shall purchase or sell, or cause any party to purchase or sell, any Nonpurpose Investment, such purchase or sale shall be made only at the fair market value of such Nonpurpose Investment. Generally, fair market value means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction determined as of the date on which a contract to purchase or sell the investment becomes binding. The price shall not be adjusted to take into account "administrative costs" of the investment (within the meaning of Section 1.148-5(e)(1) of the Regulations) except as permitted by Section 1.148-5(e)(2) of the Regulations. The fair market value of a United States Treasury obligation purchased directly from the United States Treasury is its purchase price. Except as described below, Nonpurpose Investments will consist of investments traded on an established securities market and the fair market value of such Nonpurpose Investments is the price determined by reference to such established securities market for the investment as of the trade date.

(b) The Town shall not purchase or sell, or cause any party to purchase or sell, Nonpurpose Investments pursuant to a Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including an agreement to supply investments on two or more future dates (*i.e.*, a "Guaranteed Investment Contract" as defined in Section 1.148-1(b) of the Regulations), unless the following conditions are satisfied:

(1) a bona fide solicitation for a specified Guaranteed Investment Contract is made and at least three bona fide bids from providers of Guaranteed Investment Contracts that have no material financial interest in the issue are received;

(2) the highest yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker's fees) is purchased;

(3) the Yield on the Guaranteed Investment Contract (determined net of broker's fees) is not less than the Yield then available from the provider on reasonably comparable Guaranteed Investment Contracts, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds;

(4) the determination of the terms of the Guaranteed Investment Contract takes into account as a significant factor the reasonably expected drawdown schedule of the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(5) the terms of the Guaranteed Investment Contract, including collateral security requirements, are reasonable; and

(6) the obligor on the Guaranteed Investment Contract certifies the administrative costs that are reasonably expected to be paid to third parties in connection with the Guaranteed Investment Contract.

(c) In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal, the fair market value of the certificate

is its purchase price if the Yield on the certificate is not less than (i) the Yield on reasonably comparable direct obligations of the United States, and (ii) the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(d) Gross Proceeds of the Bonds may be invested in a Commingled Fund only if the Commingled Fund complies with the special accounting rules set forth at Section 1.148-6(e) of the Regulations. Generally, this requires that, not less frequently than as of the close of each fiscal period, all payments and receipts (including deemed payments and receipts) on investments held by a Commingled Fund must be allocated (but not necessarily distributed) among the different investors in the fund in accordance with a consistently applied, reasonable ratable allocation method. For this purpose, the term "investor" means each different source of funds invested in a Commingled Fund, and the term "fiscal period" means any consistent fiscal period adopted by the fund that does not exceed three months. Examples of reasonable ratable allocation methods include methods that allocate payments and receipts in proportion to either (A) the average daily balances of the amounts in the Commingled Fund from different investors during a fiscal period or (B) the average of the beginning and ending balances of the amounts in the Commingled Fund from different investors for a fiscal period that does not exceed one month.

In the case of a Commingled Fund in which the Town and any Related Person own more than 25% of the beneficial interests in the fund, unless the weighted average maturity of all investments held by the fund during a particular fiscal year does not exceed 18 months (and the only investments held by the Commingled Fund during that time are obligations), the Commingled Fund must mark-to-market all its investments either on the last day of each fiscal year or on the last day of each fiscal period and allocate the gains and losses so determined among the investors.

The mark-to-market requirement does not apply to a Commingled Fund that operates exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the Town. In such a case, investments held by the Commingled Fund must be allocated ratably among the issues served by the Commingled Fund in accordance with one of the following methods: (A) the relative values of the bonds of those issues; (B) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (C) the relative original stated principal amounts of the outstanding issues. The Town must make any such required allocations at least every three years and as of each date that an issue first becomes secured by the commingled reserve. If relative original principal amounts are used to allocate, allocations must also be made on the retirement of any issue secured by the commingled reserve.

Section 502. Investment of Gross Proceeds. Except as provided in the next two sentences, all amounts that constitute Gross Proceeds and all amounts in the Rebate Account shall be invested at all times at market prices and at a yield not in excess of the yield on the Bonds, plus for amounts on deposit in the Project Account only, 1/8 of 1 percent, and no amounts may be held as cash or be invested in zero yield investments other than United States obligations purchased directly from the United States issued under the State and Local Government Series program. The following may be invested without yield restriction:

- (i) amounts invested in Tax Exempt Obligations;

- (ii) amounts in the Rebate Account;
- (iii) amounts deposited to the Bond and Interest Account that are reasonably expected to be expended within thirteen (13) months from the first day of deposit in any fund and that have not been on deposit under the Bond Ordinance for more than thirteen (13) months;
- (iv) amounts in the Project Account prior to the earlier of (i) completion (or abandonment) of the Project; or (ii) three years from the date the Bonds are issued;
- (v) all amounts for the first 30 days after they become Gross Proceeds (e.g. date of deposit in any fund securing or available to pay principal or interest on the Bonds);
- (vi) all amounts derived from the investment of proceeds for a period ending one year from the date received;
- (vii) an amount not to exceed \$100,000 (the "minor portion");

The restrictions on investment Yield contained herein may be disregarded with respect to any amounts if, in the opinion of Bond Counsel, the provisions of Section 1.148-5(c) of the Regulations (relating to yield reduction payments to the United States) apply to such amounts and yield reduction payments are actually made in the amounts and at the times required by the Regulations.

Moneys to be rebated to the United States, if any, shall be invested in investments maturing on or prior to the anticipated rebate date. All investments of Gross Proceeds and amounts in the Rebate Account shall be bought and sold at market prices, and no transaction shall be entered into that reduces the amount to be rebated to the United States because such transaction results in a smaller profit or larger loss than would have resulted if the transaction had been at arm's length and had the rebate requirement not been relevant to either party.

ARTICLE VI REBATE OF EXCESS INVESTMENT EARNINGS

Section 601. General Rebate Obligations. The Yield on the Bonds is 2.6950%. Except as specifically provided in the following sections, the Town covenants and agrees to take such actions and make all calculations, transfers and payments that may be necessary to comply with the rebate requirements contained in Section 148(f) of the Code and the Regulations thereunder.

Section 602. Adequate Records. The Town shall maintain with respect to all funds and accounts held by the Town and holding Gross Proceeds of the Bonds, including the Project Account, the Bond and Interest Account, including any sub-accounts established within such account, and the Rebate Account and all its expenditures of Gross Proceeds of the Bonds, adequate records pertaining to all transfers thereto, deposits therein, disbursements and transfers therefrom and earnings thereon, including the amount and source of each payment to, and the amount, purpose and payee of each payment from, each such Account and sub-account. With respect to each Nonpurpose Investment, the Town shall maintain a record of the purchase price, purchase date, type of security, accrued interest paid, interest rate, principal amount, date of maturity, interest payment date, date of liquidation and amount

received upon liquidation. The Town shall furnish any Consultant engaged by the Town with such information as the Town then possesses and as shall be reasonably requested by that Consultant to enable that Consultant to complete any Excess Earnings Report. Such records and all Excess Earnings Reports filed with the Town pursuant hereto shall be retained by the Town for at least three years after the April 15 following the calendar year of final redemption of the Bonds and any bond refunding the Bonds.

Section 603. Preparation of Excess Earnings Report. The Town, except as otherwise provided below, shall cause a Consultant to prepare, not later than 45 days following each Rebate Determination Date, an Excess Earnings Report. The Town agrees to pay from the Pledged Taxes in the General Account established by the Bond Ordinance, the reasonable fees, expenses, and charges of any Consultant. Each Report shall be dated as of such Rebate Determination Date, and shall be numbered consecutively from “1” upward in chronological order.

Section 604. Payments to United States of America.

(a) Except as otherwise provided herein, to the extent and at the time set forth in any Excess Earnings Report, the Town shall pay to the United States of America any and all amounts due and owing to the United States of America. Each such payment to the United States of America shall be mailed by certified mail (return-receipt requested), postage prepaid, to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address as the Internal Revenue Service may subsequently designate), and shall be accompanied by a completed and executed copy of Internal Revenue Service Form 8038-T, or any successor form.

(b) In addition, upon a Determination of Rebate Deficiency, the Town, shall promptly pay to the United States of America an amount equal to the correct Rebate Amount plus interest; and, if so required by the Internal Revenue Service, the applicable penalty amount.

Section 605. Bond Counsel Opinion. The reporting and payment provisions of this Article (except as set forth in Section 604(b) relating to a Determination of Rebate Deficiency) shall not be applicable if the Town receives an opinion of Bond Counsel (which opinion may be given in reliance upon a ruling or rulings of the Internal Revenue Service) to the effect that such payment is not necessary to preserve the exclusion of interest on the Bonds from the gross income of the owners thereof for Federal income tax purposes.

Section 606. Eighteen-Month Exception. The reporting and payment provisions of this Article shall not be applicable to the Bonds if all of the Adjusted Gross Proceeds of the Bonds (including all anticipated earnings thereon) are allocated to expenditures for a governmental purpose of the Bonds (not including the redemption of Bonds) in accordance with the following schedule:

<u>Number of Months After Date of Issuance</u>	<u>Percentage of Adjusted Gross Proceeds Expended</u>
6	15% or more
12	60% or more
18	100%

In addition, the rebate requirement must be met for amounts not required to be spent in accordance with the 18-month schedule (other than earnings on a bona fide debt service fund). The foregoing schedule shall be treated as having been met notwithstanding the fact that an amount exceeding 5% of the Net Sale Proceeds is withheld as a reasonable retainage if the reasonable retainage is allocated to expenditures within 30 months of the Closing Date.

Section 607. Twenty-Four Month Exception. The reporting and payment provisions of this Article shall not be applicable to the Bonds if all of the Available Construction Proceeds are spent in the percentages set forth below for the purposes of the Bonds within the periods shown:

<u>Number of Months After Date of Issuance</u>	<u>Percentage of Adjusted Gross Proceeds Expended</u>
6	10% or more
12	45% or more
18	75% or more
24	100%

The foregoing schedule shall be treated as having been met notwithstanding the fact that an amount not exceeding 5% of the Available Construction Proceeds is withheld as a reasonable retainage (as defined in the Regulations) until no later than the date that is 36 months from the Closing Date. Available Construction Proceeds will be computed using actual earnings. Notwithstanding the foregoing, the reporting and payment provisions of this Article must be met with respect to (i) Gross Proceeds other than Available Construction Proceeds and other than amounts on deposit in a bona fide debt service fund and (ii) Available Construction Proceeds becoming available after the two-year period set forth above.

ARTICLE VII MISCELLANEOUS

Section 701. Reliance. The Town hereby certifies that (i) to the best of its knowledge, information and belief, each of the facts, estimates and expectations set forth in this Certificate relating to the Bonds and the investment of Gross Proceeds of the Bonds is true and correct in all material respects as of the date hereof, (ii) to the best of its knowledge, information and belief, the expectations herein contained relating to the Bonds and the investment of Gross Proceeds of the Bonds are reasonable, (iii) to the best of its knowledge, information and belief, there are no facts, estimates or circumstances that would materially change any of the facts, estimates or expectations stated in this Certificate in connection with the Bonds and the investment of Gross Proceeds of the Bonds, and (iv) Hart, Southworth & Witsman, Bond Counsel, may rely upon these representations in delivering its opinion with respect to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 702. Amendments. The parties hereto agree that this Certificate shall be amended from time to time, without the consent of the registered owners of the Bonds, as shall be necessary, in the opinion of Bond Counsel, to preserve the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code, or as shall be permissible, in the opinion of Bond Counsel, without impairing such exclusion. Any such amendment shall be made by a written

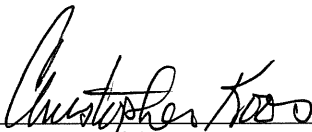
instrument executed by the Town and no such amendment shall be made other than in accordance with an opinion of Bond Counsel as described in the preceding sentence.

**ARTICLE VIII
TOWN'S ARBITRAGE CERTIFICATION**

The undersigned are, along with other officers of the Town, charged with the responsibility of issuing the Bonds, are familiar with the facts herein, and are authorized to execute and deliver this Certificate. This Certificate is being executed and delivered pursuant to the Regulations and is intended, among other things, to establish the reasonable expectations of the Town.

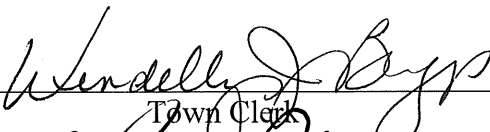
We have reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the Town as to future events, are set forth in summary form herein. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the Town has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the Sale Proceeds or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds. Such expectations are reasonable and to the best of the knowledge and belief of the undersigned officers of the Town, there are no facts, estimates or circumstances that would materially change the representations, certifications and agreements set forth in this Certificate, and the expectations herein set out are reasonable.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the Town, this December 4, 2014.

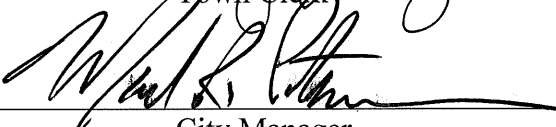


President

(SEAL)



Town Clerk

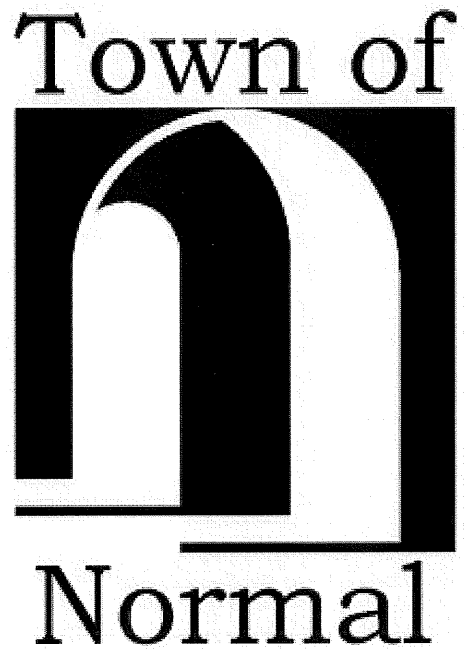


City Manager



Finance Director

SCHEDULE A



**Tax-Exempt Debt
Post-Issuance Compliance
Policies and Procedures**

Adopted September, 2013

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Part I. Purpose.

It is the policy of the Town of Normal, IL (the “Town”) to comply with all applicable federal tax rules related to its tax-exempt debt and Build America Bond¹ (“debt”²) issuances. Given the increasing complexity of the federal tax law applicable to the Town’s debt issuances, the Town, hereby adopts the following policies and procedures (the “Policies and Procedures”).

These Policies and Procedures are intended to serve as a guide for the Town to facilitate compliance with the federal tax law applicable to the Town’s outstanding debt issuances. In the event these Policies and Procedures conflict, in whole or in part, with the Arbitrage and Tax Regulatory Certificate (or other similar certificate) (the “Tax Certificate”) prepared on behalf of the Town in connection with a debt issuance, the terms of the Tax Certificate shall control.

Part II. Responsibility of Town Officials.

Except as otherwise described herein, the Town’s Finance Department and Finance Director (the “Finance Department”) has primary responsibility for ensuring that the Town’s outstanding tax-exempt debt issuances are, and will remain, in compliance with federal tax law. The Finance Department will consult with other departments within the Town, as well as third-party professionals (e.g., the Town’s bond counsel, Digital Assurance Certification, L.L.C. (DAC), and arbitrage rebate provider), as needed, to ensure compliance with such rules, including these Policies and Procedures. The Finance Department will ensure that these policies and procedures are reviewed annually. (See the Staff Involved with the Bonds section of the Bond Procedures document)

Part III. Closing of Debt Issuances.

A. Tax Certificates. The Town’s bond counsel, with assistance from the Town and other professionals associated with the financing, shall prepare a Tax Certificate in connection with each debt issuance issued by the Town, to be executed by the Town’s City Manager at closing. The Tax Certificate shall serve as the operative document for purposes of establishing the Town’s reasonable expectations as of the date of issue of a debt issuance, as well as provide a summary of the federal tax rules applicable to such issuance. The Finance Department, in consultation with the Town’s bond counsel, will review the Tax Certificate prepared for each of the Town’s tax-exempt debt issues prior to the closing of the issue.

B. Internal Revenue Service Form 8038-G – Tax-Exempt Bonds. The Town’s bond counsel, with assistance from the Town and other professionals associated with the financing, shall prepare an Internal Revenue Service (“IRS”) Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, in connection with each tax-exempt debt issuance issued by the Town, which the Finance Department will review prior to closing. Each IRS Form 8038-G prepared for a tax-exempt debt issuance will be filed with the IRS no later than the 15th day after

¹ Unless otherwise indicated herein, all references to “Build America Bonds” shall include Recovery Zone Economic Development Bonds.

² Unless otherwise indicated herein, all references to “Debt” shall include any tax-exempt debt and Build America Bond debt.

the 2nd calendar month after the close of the calendar quarter in which the tax-exempt obligation to which such Form 8038-G relates is issued. All Form 8038-Gs shall be filed by the Town's bond counsel with the IRS.

C. Internal Revenue Service Form 8038-B – Build America Bonds. The Town's bond counsel, with assistance from the Town and other professionals associated with the financing, shall prepare an IRS Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds, in connection with each Build America Bond ("BAB") issuance issued by the Town, which the Finance Department will review prior to closing. Each IRS Form 8038-B prepared for a BAB issuance will be filed with the IRS no later than the 15th day after the 2nd calendar month after the close of the calendar quarter in which the tax-exempt obligation to which such Form 8038-B relates is issued; provided, however, that Form 8038-B must be filed at least 30 days prior to the submission of the first IRS Form 8038-CP, Return for Credit Payments to Issuers of Qualified Bonds, that is filed to request payment with respect to an interest payment date for that issue. All Form 8038-Bs shall be filed by the Town's bond counsel with the IRS.

Part IV. Use of Debt Proceeds.

A. Private Use Generally. The Town will not knowingly take or permit to be taken any action which would cause any of its outstanding debt issuances to become "private activity bonds," as described below. Generally, an issue of debt will be considered "private activity bonds" if:

1. more than 10% of the proceeds of the debt are used directly or indirectly in any trade or business carried on by a private business user, and
2. more than 10% of the debt service on the debt is directly or indirectly
 - a. secured by any interest in property used or to be used in any trade or business carried on by a private business user or payments in respect of property used or to be used in any trade or business carried on by a private business user, or
 - b. derived from payments made in respect of property used or to be used in any trade or business carried on by a private business user.

B. Overview. The Town routinely reviews, and will continue to review, third-party uses of its debt financed facilities for "private business use." The Finance Department in consultation with the Town's Uptown Development Director shall be responsible for such routine reviews of third-party use. In addition, the Town may continue to consult regularly with its bond counsel regarding the applicable federal tax limitations imposed on the Town's outstanding debt issuances and whether arrangements with third parties give rise to private business use of the financed projects. In the event the Town enters into any arrangement which gives rise to private business use, the City Manager and Finance Department shall review the arrangement for private business use. In their discretion, they may consult the Town's bond counsel regarding the arrangement and whether such arrangement impacts the tax-exempt status of the Town's outstanding debt or the qualification of such debt as BABs, as applicable. The private business use arrangements to be monitored by the Town include, but are not limited to, the following:

1. Management or Other Service Contracts. In the event the Town enters into a management contract, service agreement, operating agreement or license with a third-party the Town will evaluate whether such arrangement results in private business use.

The Finance Department shall be responsible for such evaluation and will review every service contract entered into involving the use of debt financed property. For these purposes, a management contract, service agreement, operating agreement and license include any contract under which a service provider provides services involving any portion of debt financed property (a "Service Contract"). It is the Town's intent to structure all Service Contracts impacting debt financed property so as to satisfy one of the private business use safeharbors set forth in Revenue Procedure 97-13. If the Town enters into a Service Contract that does not satisfy the safeharbors set forth in Revenue Procedure 97-13, the Town may consult with its bond counsel to assess the impact, if any, that the noncompliant Service Contract has on the tax status of the Town's outstanding debt, if any.

2. Leases and Subleases. The Finance Department will monitor all leases and subleases that involve the use of debt financed property, including the name of the lessee (or sublessee), the term of the lease (or sublease), the amount of the rent paid by the lessee (or sublessee) and the square footage of space used by the lessee (or sublessee) relative to the square footage of the debt financed property.
3. Naming Rights Agreements. The Finance Department will monitor all naming rights agreements that involve debt financed property, including the term of the arrangement and the amount paid by the naming party.
4. Joint Ventures and Partnership Arrangements. The Finance Department will monitor all joint ventures, partnerships, or other cooperative agreements that involve the use of debt financed property.

C. Sales of Debt-Financed Property. Prior to selling or otherwise disposing of any debt financed project for which debt remains outstanding, the Town will consult with its bond counsel to determine the impact, if any, such sale or disposition would have on the tax status of the Town's outstanding debt.

D. Private Loans. The Town will not take or permit to be taken any action which would cause any of its debt issuances to be considered "private loan bonds." The Town debt will be considered "private loan bonds" if more than 5% of the proceeds of the issue are used directly or indirectly to make or finance loans to private persons. The Town will not loan the proceeds of any Town debt issuance to a third party.

Part V. Special Provisions Applicable to Build America Bonds.

A. Sale of Build America Bonds. No BAB issued by or on behalf of the Town shall be sold with more than a de minimis amount of original issue premium. Original issue premium shall be considered de minimis if it does not exceed 0.25% of the stated redemption price at maturity for the bond, multiplied by the number of complete years to the earlier of the maturity date for the bond or the first optional redemption date for the bond, if applicable.

B. Review of Pricing Information. To the extent such information is available, the Town will review the pricing history of each of its BAB issuances through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website located at <http://emma.msrb.org/>. A copy of the pricing records may be retained through the DAC system, and in all events, the Town will retain a copy of such pricing records in accordance with the provisions of Part VIII, "Recordkeeping," of these Policies and Procedures.

C. Use of Available Project Proceeds. One hundred percent (100%) of the available project proceeds of each of the Town's BAB debt issuances shall be used to finance capital expenditures. For these purposes, "available project proceeds" means the sale proceeds of a BAB debt issue less costs of issuance of the issue financed with such sale proceeds (the amount of sale proceeds of the issue to be used to finance costs of issuance not to exceed two percent (2%) of the sale proceeds), plus the investment earnings thereon, including investment earnings on a reserve fund for the issue.

D. Calculation of Refundable Credits Payable to the Town. In connection with an issuance of fixed rate BABs, the Town shall require a financial professional associated with the financing to prepare a schedule setting forth the interest scheduled to be paid to the bond holders, the date on which such amounts are expected to be paid and the amount of refundable credits expected to be claimed by the Town from the IRS. This schedule will be attached to the IRS Form 8038-B filed in connection with the issuance of the BABs and will serve as the basis for the IRS Form 8038-CPs (see Section E, below) to be filed with the IRS on behalf of the Town. In the event the Town should issue variable rate BABs, the Town shall require a financial professional associated with the financing to prepare a schedule setting forth each interest payment date, the amount of debt of the issuance expected to be outstanding as of each such interest payment date and a general description as to how the amount of interest payable on each date is calculated. In addition, should the Town borrow through the issuance of variable rate BABs, the Town will maintain records of interest paid to the holders of such bonds, which records will serve as the basis for the Town's claim for refundable credits.

E. Preparation and Filing of IRS Form 8038-CP. The Finance Department will prepare, or cause to be prepared, a separate IRS Form 8038-CP, Return for Credit Payments to Issuers of Qualified Bonds, for each claimed BAB refundable credit payment. In the case of fixed rate BABs, the Town will complete an IRS Form 8038-CP for each interest payment date, such IRS Form 8038-CP to be filed no later than 45 days prior to the interest payment date for which such refundable credit is claimed and no earlier than 90 days prior to the applicable interest payment date for which such refundable credit is claimed. In the case of variable rate BABs, the Town will complete an IRS Form 8038-CP for each calendar quarter in arrears, each such IRS Form 8038-CP to be submitted to the Finance Department no later than 45 days after the last interest payment date within the calendar quarter for which a refundable credit is claimed.

Part VI. Arbitrage Limitations Imposed on Debt Issuances.

A. Arbitrage Rebate Monitor. The Town will continue to retain an arbitrage rebate monitor to review its outstanding debt issuances, unless, in the judgment of the Town's Finance Manager and in compliance with these Policies and Procedures and the Tax Certificate entered into in connection with a debt issuance, there is no reasonable prospect of an arbitrage rebate or yield reduction payment liability. If an arbitrage rebate monitor is retained, the arbitrage rebate monitor will perform calculations to ascertain whether the Town owes an arbitrage rebate payment or yield reduction payment to the IRS, including whether the debt issuance in question qualifies for an exception to the arbitrage rebate rules. Currently, the Town uses Pinnacle Arbitrage Compliance as arbitrage rebate monitor. (See the Arbitrage Rebate Calculations section of the Bond Procedures document)

B. Yield Restriction Limitations. Each Tax Certificate prepared for the Town's debt issuances shall contain the applicable yield restriction investment limitations, including the applicable investment limitations imposed on proceeds of the debt issuance and any temporary periods during which the Town may invest proceeds of the debt issuance at an unrestricted yield.

C. Monitoring Yield Restriction Limitations. The Finance Department will ensure that the Town complies with the yield restriction limitations outlined in the Tax Certificate entered into by the Town in connection with a debt issuance, including any exceptions to yield restriction described therein.

D. Payment of Arbitrage Rebate and Yield Reduction Liability. In the event the Town owes arbitrage rebate or has accrued a yield reduction payment liability to the IRS, the Town will timely³ submit IRS Form 8038-T, Arbitrage Rebate Yield Reduction and Penalty in Lieu of Arbitrage Rebate, to be prepared by the arbitrage rebate monitor, together with payment in the amount equal to the arbitrage rebate or yield reduction payment liability calculated by the arbitrage rebate monitor in accordance with the Tax Certificate related to such debt issue.

E. Expenditure of Tax-Exempt Debt Proceeds. It is the policy of the Town to expend debt proceeds as promptly and diligently as possible within the confines of these Policies and Procedures and the Tax Certificate entered into by the Town in connection with a particular debt issuance. For these purposes, it is the Town's policy not to finance projects using the proceeds of debt for which the Town expects that the debt proceeds will not be fully spent within a reasonable amount of time after the date of issue of the debt, in accordance with the tax certificate.

F. Arbitrage Rebate Exceptions. Each Tax Certificate prepared for the Town's debt issuances shall contain the arbitrage rebate exception(s) applicable to the debt issuance, which arbitrage rebate exceptions will be applied by the rebate monitor in assessing whether the Town owes arbitrage rebate.

G. Verification Agent. The Town will continue to retain a third-party verification agent for each of its advance refunding bond issues. The verification agent will verify the arbitrage yield on the tax-exempt debt issuance, the arbitrage yield on the investments acquired as part of the refunding escrow established using gross proceeds of the tax-exempt debt issuance, and the sufficiency of the refunding escrow.

H. Establishment of Advance Refunding Escrows and Trustee Responsibilities. The Town will deposit tax-exempt debt proceeds (and any other amounts) to be used to advance refund prior Town debt into one or more separate escrow trust accounts established with the trustee selected for the transaction. Working with the Town's bond counsel, and in accordance with the documentation prepared for the refunding transaction, the Town will impose primary responsibility for initiating actions required to be taken with respect to the refunding escrow

³ For these purposes, timely shall mean within 60 days after each installment computation date, the Town will cause to be paid to the Internal Revenue Service at least 90% of the amount of arbitrage rebate and yield reduction payment liability owed and within 60 days after the final installment computation date, the Town will cause to be paid to the Internal Revenue Service 100% of the amount of arbitrage rebate and yield reduction payment liability owed.

(including the reinvestment of amounts within the escrow and disbursing funds from the escrow) on the trustee. In the event of an omission on the part of the trustee, an error in the documentation or procedures establishing the escrow, or an investment to be acquired as part of the refunding escrow is not available for purchase, the Town will timely consult with the Town's bond counsel, as applicable, to determine the impact, if any, on the tax-exempt status of the bond issue and actions to be undertaken by the Town to ensure the continuing tax-exempt status of the obligations.

I. Acquiring Investments for Advance Refunding Escrows. It is the policy of the Town to maximize the investment return on all investments acquired with tax-exempt bond proceeds and to acquire such investments at fair market value. When funding deposits to advance refunding escrows using tax-exempt debt proceeds, it is the Town's policy to acquire United States Treasury Securities – State and Local Government Series (SLGS), State of Illinois Bonds, or securities purchased on the open market in accordance with the terms of the Town's bond documents.

In the event the Town chooses to fund an advance refunding escrow using securities purchased on the open market, the Town will solicit bids from providers of qualifying securities in accordance with the limitations described in the "3-bid" safeharbors set forth in Treasury Regulations Section 1.148-5(d)(6).

J. Interest Rate Hedges. The Town will engage a third party financial advisor for all interest rate hedges entered into by the Town, irrespective of whether any such hedge is acquired through a direct negotiation with the provider or procured through a bidding process. In all cases, the Town will obtain appropriate certifications from its financial advisor and/or the provider to establish the fair market value of the product. The Town will consult with its bond counsel with respect to all interest rate hedging transactions related to an outstanding or prospective debt issuance prior to the date on which the interest rate hedging transaction is entered into.

Part VII. Accounting for Debt Proceeds.

A. General. Except as otherwise described below and in the Tax Certificate entered into by the Town in connection with a debt issuance, it is the policy of the Town to consistently apply a generally accepted method of accounting for and allocating its debt proceeds. (See the General Information section of the Bond Procedures document)

B. Investment of Proceeds. Proceeds of the Town's capital borrowings shall be accounted for in a separate fund or account. All proceeds shall be invested at the direction of the Finance Department.

C. Expenditure of Debt Proceeds on Capital Projects. The Finance Manager reviews and approves invoices related to tax-exempt debt financed expenditures and causes payments to be made. All invoices and records of payment (either in the form of paper checks or electronic funds transfer confirmations) are retained by the Town in accordance with Part VIII, "Recordkeeping," below.

The Town shall maintain accounting records, updated with each payment of an expenditure from debt Proceeds, that for each outstanding debt issuance shows:

- (1) The name and date of the debt issue to which the proceeds relate;
- (2) The projects financed with the proceeds of the issue;
- (3) The authorized amount of proceeds to be used to finance each project;
- (4) The amount of proceeds of the debt issuance used to date to finance each project;
- (5) The amount of unspent proceeds of the debt issuance to be used to finance each project; and
- (6) The date on which the debt proceeds related to each project were fully expended.

Part VIII. Recordkeeping.

A. General. The Finance Department in combination with the Town's Clerk shall maintain all applicable records. The Town's relationship with DAC is intended to assist the Town in maintaining compliance with their recordkeeping responsibilities. Each Tax Certificate prepared on behalf of the Town for a debt issuance shall provide for a description of the records to be maintained by or on behalf of the Town and period of time such records must be maintained. In addition, the Town is familiar with the IRS's Frequently Asked Questions related to the recordkeeping requirements for tax-exempt debt.

B. Means of Maintaining Records. The Town may maintain all records required to be held as described in this Part VIII in paper and/or electronic (e.g., CD, disks, tapes) form either internally or through the DAC system. It is the policy of the Town to maintain as much of its records electronically as feasible.

C. Transcript and Use of Debt Proceeds. The Town shall maintain, or cause to be maintained, all records relating to the tax-exempt status of its tax-exempt debt issuances and the qualification of Town debt as BABs and the representations, certifications and covenants set forth in its respective Tax Certificates until the date 3 years after the last outstanding obligation of the issue to which such records and Tax Certificate relate has been retired. These records include, but are not limited to, the following:

- (1) basic records and documents relating to the obligations (including the transcript, which shall include, among other records, the Tax Certificate, IRS Form 8038-G or 8038-B, verification report, authorizing resolution(s), trust indenture, loan agreement, record of public approval, and the opinion of bond counsel),
- (2) documentation evidencing the expenditure of debt proceeds,
- (3) documentation evidencing interest paid by the Town for which refundable credits are claimed and all IRS Form 8038-CPs submitted on behalf of the Town,
- (4) documentation evidencing the use of debt financed projects by public and private sources, including copies of all arrangements described in Part IV of these Policies and Procedures,
- (5) documentation evidencing all sources of payment or security for the debt issuance; and
- (6) documentation pertaining to any investment of debt proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).

D. Investment Records. The Town shall maintain detailed records with respect to every investment acquired with proceeds of its debt issuances until the date three years after the last outstanding obligation of the issue to which such records and nonpurpose investments relate has been retired. These records may reflect, but are not limited to, the following:

(1) purchase date, (2) purchase price, (3) information establishing fair market value on the date such investment became allocated to gross proceeds of the debt, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) periodicity of interest payments, (8) disposition price, (9) any accrued interest received, (10) disposition date, and (11) broker's fees paid (if at all) or other administrative costs with respect to each such nonpurpose investment.

E. Arbitrage Rebate and Yield Reduction Payment Records. The Town shall maintain all records of arbitrage rebate payment and yield reduction payment calculations performed by the arbitrage rebate monitor (irrespective of whether the Town owed any amount to the IRS), and records related to any arbitrage rebate payments or yield reduction payments made to the IRS, including the calculations performed by the arbitrage rebate monitor substantiating such payments, together with the IRS Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, that accompanied all such payments, until the date 3 years after the last outstanding obligation of the issue to which such records and rebate payments relate has been retired.

F. Overpayment of Arbitrage Rebate Records. In the event the Town has overpaid to the United States an arbitrage rebate or yield reduction payment liability, the Town shall maintain all records of such arbitrage rebate payments or yield reduction payments, including calculations performed by the arbitrage rebate monitor, together with the IRS Form 8038-R, Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, that accompanied the request for a recovery of such overpayment until the date 3 years after the last outstanding obligation of the issue to which such records and rebate overpayments relate has been retired.

G. Other Records. In addition to the records described above, the Town will maintain the following records, to the extent applicable to a particular tax-exempt debt offering, until the date 3 years after the last outstanding obligation of the issue to which such relate has been retired:

- (1) minutes and resolutions authorizing the issuance of, or the reimbursement of expenditures using proceeds of, the financing,
- (2) appraisals, demand surveys and feasibility studies related to debt financed or refinanced property,
- (3) documentation relating to any third-party funding for a project to which debt proceeds will be applied (including government grants),
- (4) records of any Internal Revenue Service audit(s) or compliance check(s), or any other Internal Revenue Service inquiry related to the debt.

H. Applicability of Recordkeeping Requirement in the Event of a Refunding. In the event the Town issues debt to retire prior Town debt, the Town shall maintain all of the records described in this Part VIII with respect to the refunded debt until the date that is three years after the last outstanding tax-exempt obligation or BAB of the issue the proceeds of which were used to retire the refunded debt has been retired.

Part IX. Voluntary Closing Agreement Program.

A. Remedial Actions. The Town is aware of the remedial action rules contained in Treasury Regulations Section 1.141-12, providing the Town with the ability, in certain circumstances, to voluntarily remediate violations of the private business tests or private loan financing test. Although the Town intends that none of its debt issuances will require the application of the remedial action rules, prior to taking any action that would cause one or more of its outstanding debt issuances to, absent a remedial action, violate the private business tests or private loan financing test, the Town may consult with its bond counsel regarding the applicability of the remedial action rules to such action and the ability to remediate the impacted debt issuance.

B. Voluntary Closing Agreement Program. The Town is aware of its ability, pursuant to IRS Notice 2008-31, to request a voluntary closing agreement with the IRS to correct failures on the part of the Town to comply with the federal tax rules related to tax-exempt debt issuances.

Part X. Continuing Education.

The Town will continue to consult regularly with its bond counsel regarding the federal tax rules applicable to its outstanding debt and changes to the federal tax law, and the Town will regularly update these Policies and Procedures to reflect any such changes.

The Town shall ensure that those who are tasked with bond compliance responsibilities shall undertake a reasonable amount of continuing education on an annual basis, including but not limited to, consulting with outside professionals, participation in conferences, reading informational updates from governmental resources and professional organizations, and participation in DAC webinars.

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
 ▶ See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name Town of Normal, Illinois		2 Issuer's employer identification number (EIN) 37-6001605
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Mike Southworth		3b Telephone number of other person shown on 3a 217-753-0055
4 Number and street (or P.O. box if mail is not delivered to street address) 11 Uptown Circle	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Normal, Illinois 61761		7 Date of issue 12/04/2014
8 Name of issue General Obligation Bonds, Series 2014		9 CUSIP number 656066NW3
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Mark R. Peterson, City Manager		10b Telephone number of officer or other employee shown on 10a 309-454-2444

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ▶ Fire Station and Hotel	18	9,981,514 65
19 If obligations are TANs or RANs, check only box 19a ▶ <input type="checkbox"/>		
If obligations are BANs, check only box 19b ▶ <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box ▶ <input type="checkbox"/>		

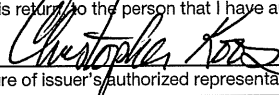
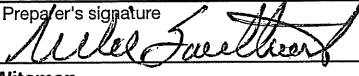
Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/01/2034	\$ 9,981,514.65	\$ 9,155,000.00	11.5930 years	2.6950 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22	Proceeds used for accrued interest	22	0	00
23	Issue price of entire issue (enter amount from line 21, column (b))	23	9,981,514	65
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	157,581	05
25	Proceeds used for credit enhancement	25	0	00
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27	Proceeds used to currently refund prior issues	27	0	00
28	Proceeds used to advance refund prior issues	28	0	00
29	Total (add lines 24 through 28)	29	157,581	05
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	9,823,933	60

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶ _____
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0	00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	0	00
b	Enter the final maturity date of the GIC ▶ _____			
c	Enter the name of the GIC provider ▶ _____			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0	00
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b	Enter the date of the master pool obligation ▶ _____			
c	Enter the EIN of the issuer of the master pool obligation ▶ _____			
d	Enter the name of the issuer of the master pool obligation ▶ _____			
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box			<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b	Name of hedge provider ▶ _____			
c	Type of hedge ▶ _____			
d	Term of hedge ▶ _____			
42	If the issuer has superintegrated the hedge, check box			<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box			<input checked="" type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box			<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b	Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return to the person that I have authorized above.				
	 Signature of issuer's authorized representative		12/04/2014 Date	Christopher Koos, President Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Mike Southworth		12/04/2014		PO1238509
	Firm's name ▶ Hart, Southworth & Witsman	Firm's EIN ▶ 37-1205582			
Firm's address ▶ One North Old State Capitol Plaza, Suite 501, Springfield, Illinois 62701			Phone no. 217-753-0055		

Hart, Southworth & Witsman

Attorneys at Law

Suite 501

One North Old State Capitol Plaza

Springfield, Illinois 62701-1323

(217) 753-0055

(217) 753-1056 - Fax

Richard E. Hart
Mike Southworth
Samuel J. Witsman
Timothy J. Rigby
Kristina B. Mucinskas

msouthworth@hswnet.com

December 5, 2014

CERTIFIED MAIL

#7013 2630 0000 3527 7752

Internal Revenue Service Center
Ogden, Utah 84201

Re: Town of Normal, Illinois
\$9,981,514.65 General Obligation Bonds, Series 2014

Ladies and Gentlemen:

Enclosed is a form 8038-G with regard to the 2014 General Obligation Bonds issued by the Town of Normal, Illinois. This filing is timely as the closing was December 4, 2014.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: 
Mike Southworth

MS:ss
Enclosures

7013 2630 0000 3527 7752
2521 2521 0000 0092 2702

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For delivery information visit our website at www.usps.com®

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.48

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*Street, Apt. No.,
or PO Box No.*

City, State, ZIP+4 Ogden, Utah 84201



December 4, 2014

Mesirow Financial, Inc.
353 North Clark Street, 9th floor
Chicago, Illinois 60654

Hart, Southworth & Witsman
One North Old State Capitol Plaza
Springfield, Illinois 62701

Town of Normal, Illinois
11 Uptown Circle
P.O. Box 589
Normal, Illinois 61761

Re: \$9,155,000 General Obligation Bonds, Series 2014
of the Town of Normal, McLean County, Illinois.

Ladies and Gentlemen:

I am the duly appointed Corporation Counsel of the Town of Normal, McLean County, Illinois (the "Town") and this opinion is given pursuant to the Bond Purchase Agreement dated November 18, 2014 (the "Bond Purchase Agreement") by and between the Town and Mesirow Financial, Inc., Chicago, Illinois (the "Purchaser") for the purchase of the Town's General Obligation Bonds, Series 2014 issued in the aggregate principal amount of \$9,155,000 (the "Bonds"). Capitalized terms used in this opinion and not otherwise defined herein shall have the meanings ascribed to them in the Bond Purchase Agreement.

In connection with the issuance and delivery this date by the Town of the Bonds, I have examined, among other things, the following:

A. Public records, proceedings and documents in connection with the organization of the Town and the incumbency of its officers and of the members of the Board of Trustees of the Town (the "Board");

B. The proceedings of the President and Board (the "Proceedings") pertaining to the adoption of Ordinance No. 5560 on October 6, 2014 (the "Bond Ordinance") authorizing the issuance and providing for the sale of the Bonds and approving and authorizing the execution and delivery of (i) the Bond Purchase Agreement, (ii) the Preliminary Official Statement dated November 11, 2014 relating to the Bonds (the "Preliminary Official Statement") and the Official Statement dated November 18, 2014 relating to the Bonds (the "Official Statement"), (iii) the Bond Order executed by the President of the Town dated November 18, 2014 (the "Bond Order"), the Tax Compliance Certificate and Agreement dated as of the date hereof (the "Tax Compliance Certificate"), and the Continuing Disclosure Undertaking of the Town dated as of the date hereof (the "Undertaking" and together with the Bond Ordinance, the Bond Purchase

"Committed to Service Excellence"

11 Uptown Circle * Post Office Box 589 * Normal, Illinois 61761-0589
Telephone (309) 454-2444 * Fax (309) 454-9609 * TDD (309) 454-9630
www.normal.org

Agreement, the Bond Order, the Tax Compliance Agreement and the Bonds, the “Town Documents”)

C. Such other information, records and documents as in my judgment are necessary and advisable (all of the foregoing being collectively referred to herein as the “Proceedings”).

Based on the foregoing, I am of the opinion that:

1. The Town is a municipality and a “home rule unit” duly created, organized, validly existing and in good standing under the constitution and laws of the State of Illinois. The incumbent officers of the Town and members of the Board have been duly elected or appointed, as the case may be, to their respective positions, have duly qualified for such positions, and are now in lawful incumbency of their respective offices.

2. The Bonds are authorized and issued pursuant to, without limitation, the Town’s home rule powers, the Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts as supplemented and amended, 5 ILCS 70/8 (collectively, the “Applicable Acts”), the Bond Ordinance and the Bond Order. The Town has all necessary power and authority under the Applicable Acts to adopt the Proceedings and to issue and deliver the Bonds.

3. The Town has full legal right, power and authority under the constitution and laws of Illinois, including the Applicable Acts, to adopt the Bond Ordinance, to execute and deliver the Town Documents and the Official Statement, and to issue the Bonds and apply the proceeds thereof pursuant to the Town Documents, and compliance with the provisions of each thereof will not conflict with or constitute a violation or breach of or default under any existing law or administrative rule or regulation, or, to the best of my knowledge, any court order or decree, or any agreement, contract or other instrument to which the Town is a party or is otherwise subject or bound.

4. By all necessary official action of the Town, the Town has duly authorized and approved (i) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement, (ii) the issuance and sale of the Bonds upon the terms set forth in the Town Documents and the Official Statement and (iii) the execution and delivery of, and the performance by the Town of the obligations on its part contained in, the Town Documents.

5. The Bond Ordinance and any other resolutions of the Town approving and authorizing the issuance and sale of the Bonds, the distribution of the Preliminary Official Statement and the execution and delivery of the Town Documents and the Official Statement were duly adopted at one or more meetings of the Town that were called and held pursuant to all applicable laws and regulations, and with all public notice required by all applicable laws and regulations and at which a quorum was present and acting throughout.

6. Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body pending, or, to my knowledge, threatened against the Town: (i) affecting the existence of the

Town or the titles of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the pledge or collection by the Town of the ad valorem taxes for payment of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of, or the power or authority of the Town to issue, adopt or to enter into (as applicable), the Town Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (v) wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the Town or would result in any material adverse change in the ability of the Town to pledge the ad valorem taxes for payment of the Bonds or to pay debt service on the Bonds, or (vi) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement.

7. The distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement have been duly authorized by the Town; nothing has come to my attention that would lead me to believe that the information and statements in the Official Statement, as of its date and as of the date of this date, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view is expressed as to the financial statements of the Town, any other financial, forecast, technical or statistical data of the Official Statement.

8. All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the Town of its obligations under the Bond Ordinance, the Town Documents and the Bonds have been duly obtained, except for: (i) as otherwise disclosed in the Official Statement, (ii) such authorizations, approvals, consents and orders (if any) as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds and (iii) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits which are reasonably anticipated to be obtained in ordinary course.

9. The Proceedings complied in all respects with (i) all procedural rules of the Board, (ii) all applicable procedural requirements of the Applicable Acts, (iii) all requirements of the Open Meetings Act, Chapter 5, Act 120, ILCS, as amended, and (iv) all applicable requirements of the Public Officer Prohibited Activities Act, Chapter 50, Act 105, ILCS, as amended. The Proceedings are in full force and effect, and have not been amended, supplemented, repealed, revoked or superseded.

10. The Town Documents and the execution and performance thereof, have been duly authorized by the Town. The Town Documents have been duly executed and delivered by, for and on behalf of the Town and assuming but expressing no opinion as to the due authorization, execution and delivery thereof by each of the other parties thereto, constitute the legal, valid and binding obligations of the Town, enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, reorganization,

insolvency, moratorium, or other similar laws relating to or affecting the enforcement of creditors' rights and is subject to the availability of equitable remedies.

11. The Town has full power and authority, among other things, to adopt and perform its duties and obligations under the Town Documents, and to execute, deliver and perform its duties and obligations under the Town Documents, and to authorize the issuance and sale of the Bonds.

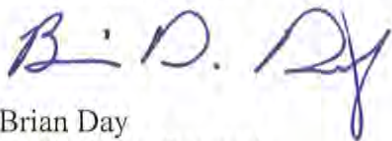
12. To my knowledge, compliance with the provisions of the Town Documents, and the execution, delivery and performance of the Town Documents, do not in a material manner conflict with, or constitute a material breach of or material default under, any applicable law, administrative regulation, court order or consent decree of the State of Illinois or the United States of America or any department, division, agency, or instrumentality of either or any loan agreement, note, ordinance, indenture, mortgage, deed of trust, agreement or other instrument to which the Town is a party or may otherwise be subject.

13. All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to the performance by the Town of its obligations under the Town Documents and which are required to be obtained prior to the execution and delivery of the foregoing instruments have been obtained and are in full force and effect.

14. The Bonds constitute direct and general obligations of the Town payable from all legally available funds of the Town, and the Town has levied ad valorem taxes upon all the taxable property in the Town for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. The Bonds have been duly authorized and approved by the Town and constitute the legal, valid and binding obligations of the Town enforceable against the Town.

15. This opinion may be relied upon by bond counsel for the Town in connection with opinions of such counsel relating to the Bond Ordinance and the issuance of the Bonds.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "B. D. Day", with a stylized flourish at the end.

Brian Day
Corporation Counsel

December 4, 2014

Mesirow Financial, Inc.
Chicago, Illinois

Re: Town of Normal
McLean County, Illinois
General Obligation Bonds, Series 2014

Ladies and Gentlemen:

We have acted as counsel to you in connection with your purchase of \$9,155,000 aggregate principal amount of General Obligation Bonds, Series 2014 (the “*Bonds*”), issued on this date by the Town of Normal, McLean County, Illinois (the “*Issuer*”). The Bonds are being issued pursuant to the terms of the Bond Purchase Agreement dated as of November 18, 2014 (the “*Purchase Contract*”).

Capitalized terms used herein without definition shall have the meanings specified in the Purchase Contract.

We have rendered legal advice and assistance to you as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the “*Rule*”), in connection with your review, for purposes of the Rule, of the Continuing Disclosure Agreement, dated as of November 18, 2014 (the “*Undertaking*”) of the Issuer. Based upon our examination of the Undertaking, the Rule and such other documents and matters of law as we have considered necessary, we are of the opinion that, under existing law, the Undertaking complies in all material respects with the applicable requirements of the Rule; *provided, however*, no view is expressed regarding the items comprising Annual Financial Information (as defined in the Undertaking).

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement referred to below, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Bond Ordinance is not required to be qualified under the Trust Indenture Act of 1939, as amended.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is

Chapman and Cutler LLP

given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This opinion is furnished by us as counsel to the Underwriter and is solely for the benefit of the Underwriter. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

LEWhite/KMFloros

A handwritten signature in cursive script that reads "Chapman and Cutler LLP". The signature is written in black ink and is positioned to the right of the typed name "LEWhite/KMFloros".

December 4, 2014

Mesirow Financial, Inc.
Chicago, Illinois

Re: Town of Normal
McLean County, Illinois
General Obligation Bonds, Series 2014

Ladies and Gentlemen:

We have acted as counsel to you in connection with your purchase of \$9,155,000 aggregate principal amount of General Obligation Bonds, Series 2014 (the “*Bonds*”), issued on this date by the Town of Normal, McLean County, Illinois (the “*Issuer*”). The Bonds are being issued pursuant to the terms of the Bond Purchase Agreement dated as of November 18, 2014 (the “*Purchase Contract*”) between the Issuer and Mesirow Financial, Inc., Chicago, Illinois (the “*Underwriter*”). Capitalized terms used herein without definition shall have the meanings specified in the Purchase Contract.

In accordance with our understanding with you, we have rendered legal advice and assistance to you in the course of your investigation with respect to, and your participation in the preparation of, the Official Statement with respect to the Bonds dated November 18, 2014 (the “*Official Statement*”) and certain other matters related to the subject financing. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects and a limited review of certain records, reports, documents, opinions and certificates of officers of the Issuer and other appropriate persons. As to facts material to the views expressed herein, we have, with your consent, relied upon oral or written statements and representations of officers or other representatives of the Issuer, including the representations and warranties of the Issuer in the Purchase Contract.

We are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as counsel to you, we participated in conferences and correspondence with your representatives, representatives of the Issuer and other persons involved in the preparation of information for the Official Statement, during which the contents of the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein. Moreover, many of the determinations required to be made in the

Chapman and Cutler LLP

preparation of the Official Statement involve matters of a non-legal nature. Based on our participation in the above-mentioned conferences and correspondence and in reliance thereon and on our limited review of the records, reports, documents, certificates, statements, representations, warranties, opinions and matters mentioned above, without independent verification, we advise you as a matter of fact and not opinion that, during the course of our role as Underwriter's counsel with respect to the Bonds, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such role which caused us to believe that the Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book-entry only system, (iii) the financial statements or other financial, operating, statistical, numerical or accounting data contained therein, and (iv) the information describing the opinion of Hart, Southworth and Witsman, Springfield, Illinois ("*Bond Counsel*") in "TAX EXEMPTION" and the form of opinion of Bond Counsel in Appendix C to the Official Statement as to all of which we do not express any conclusion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or statement rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the preceding paragraph is not a legal opinion but is rather in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as Underwriter's counsel; (ii) the scope of those activities performed by us for purposes of delivering this letter was inherently limited and does not purport to encompass all activities necessary for compliance with applicable securities laws; and (iii) those activities performed by us rely on third party representations, warranties, certifications, statements and opinions, including and primarily, representations, warranties and certifications made by the Issuer, and are otherwise subject to the conditions set forth herein.

In further accordance with our understanding with the Underwriter, we express no opinion or belief with respect to the validity of the Bonds or the taxation thereof or of the interest thereon, and our expression of belief with respect to the Official Statement assumes the validity of the Bonds and the exclusion of the interest payable thereon from gross income for federal income tax purposes, all as set forth in the opinion of Bond Counsel.

Chapman and Cutler LLP

This letter is furnished by us as counsel to the Underwriter and is solely for the benefit of the Underwriter and may not be used, quoted, relied upon or otherwise referred to for any other purpose or by any other person (including any person purchasing any of the Bonds from the Underwriter) without our prior written consent. This letter is given as of the date hereof and we assume no obligation to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention.

Respectfully submitted,

LEWhite/KMFloros

A handwritten signature in cursive script that reads "Chapman and Cutler LLP".

Hart, Southworth & Witsman

Attorneys at Law

Suite 501
One North Old State Capitol Plaza
Springfield, Illinois 62701-1323
(217) 753-0055
(217) 753-1056 – Fax

Richard E. Hart
Mike Southworth
Samuel J. Witsman
Timothy J. Rigby
Kristina B. Mucinskas

msouthworth@hsw.net.com

December 4, 2014

Town of Normal, Illinois
11 Uptown Circle
P.O. Box 589
Normal, Illinois 61761

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the \$9,155,000 General Obligation Bonds, Series 2014 (the “Bonds”) of the Town of Normal, Illinois (the “Town”), a municipal corporation and a home rule unit of the State of Illinois situated in the County of McLean, Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, the Omnibus Bond Acts, 5 ILCS 70/8 as supplemented and amended, and by virtue of Ordinance No. 5560 adopted by the Board of Trustees of the Town on October 6, 2014 (the “Bond Ordinance”).

The Bonds mature on June 1 in each of the following years in the respective principal amount set opposite each such year, and the Bonds maturing in each such year bear interest from their date payable on June 1 and December 1 of each year commencing June 1, 2015 at the respective rate of interest per annum set forth opposite such year in the following table:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2016	340,000	3.00
2017	350,000	3.00
2018	360,000	3.00
2019	370,000	4.00
2020	385,000	4.00
2021	400,000	4.00
2022	415,000	4.00
2023	435,000	4.00
2024	450,000	4.00
2025	470,000	4.00
2026	490,000	4.00
2028	1,040,000	4.00

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2030	1,120,000	4.00
2032	1,215,000	4.00
2034	1,315,000	4.00

In our opinion, the Bonds are valid and legally binding full faith and credit general obligations of the Town and the Town is obligated to levy ad valorem taxes upon all the taxable property within the Town for the payment of the Bonds and the interest thereon without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, 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.

It is our opinion that, subject to the condition that the Town comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants of the Town could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.


It is our opinion that the Bonds have been designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering the opinions given above, we have relied upon and assumed the material accuracy of the Town's representations, statements of reasonable expectations and certifications of fact contained in the Bond Ordinance and other certificates of the Town which we have not independently verified, and upon the opinion of counsel to the Town. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. Our opinion is given as of the date hereof and we assume no obligation to revise or supplement our opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: 
Mike Southworth

Hart, Southworth & Witsman

Attorneys at Law

Suite 501

One North Old State Capitol Plaza

Springfield, Illinois 62701-1323

(217) 753-0055

(217) 753-1056 – Fax

Richard E. Hart

Mike Southworth

Samuel J. Witsman

Timothy J. Rigby

Kristina B. Mucinskas

msouthworth@hswnet.com

December 4, 2014

Mesirow Financial, Inc.
353 North Clark Street, 9th floor
Chicago, Illinois 60654

Re: \$9,155,000 aggregate principal amount of the Town of Normal, Illinois
General Obligation Bonds, Series 2014

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale to Mesirow Financial, Inc. (the “Underwriter”) of the above-referenced bonds (the “Bonds”) by the Town of Normal, Illinois (the “Town”) pursuant to Ordinance No. 5560 adopted by the Board of Trustees of the Town on October 6, 2014 and the Town’s Bond Order dated November 18, 2014 (collectively, the “Bond Ordinance”).

As Bond Counsel, we delivered to you our approving opinion of even date with this opinion relating to the Bonds. This opinion is based on the same examination and the opinion of even date of Brian Day, Corporation Counsel for the Town, and is subject to the same qualifications, assumptions and limitations as are set forth in our aforementioned approving opinion. Capitalized terms used in this opinion and not otherwise defined in this opinion are intended to have the meanings ascribed to such terms in the Bond Ordinance.

Based upon the foregoing, we supplement our approving opinion as follows:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) the Bonds are exempted securities that do not require registration under the Securities Act of 1933, as amended, and the Bond Ordinance need not be qualified under the Trust Indenture Act of 1939, as amended; and

(C) the statements and information contained in the Official Statement under the captions “THE BONDS”, “TAX-EXEMPTION” AND QUALIFIED TAX-EXEMPT OBLIGATIONS” fairly and accurately summarize the matters described therein, provided

however that no opinion is given with respect to any information included under said captions relating to The Depository Trust Company (“DTC”) or DTC’s book-entry system. The purpose of our professional engagement was not to establish or confirm factual matters in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth under these captions. Except as specifically described in this paragraph (C), we express no opinion with respect to, and have not undertaken to determine independently the accuracy, fairness or completeness of any statements contained or incorporated by reference in, the Official Statement.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By:


Mike Southworth

MOODY'S

INVESTORS SERVICE

New Issue: Moody's assigns Aa1 to the Town of Normal IL's \$9.5M GO Bonds, Ser. 2014; outlook stable

Global Credit Research - 10 Nov 2014

Aa1 and stable outlook apply to \$86.2M of post-sale GO debt

NORMAL (TOWN OF) IL
Cities (including Towns, Villages and Townships)
IL

Moody's Rating

ISSUE	RATING
General Obligation Bonds, Series 2014	Aa1
Sale Amount \$9,455,000	
Expected Sale Date 11/24/14	
Rating Description General Obligation	

Moody's Outlook STA

Opinion

NEW YORK, November 10, 2014 –Moody's Investors Service has assigned an Aa1 rating and stable outlook to the Town of Normal's (IL) \$9.5 million General Obligation Bonds, Series 2014. The bonds are secured by the town's general obligation unlimited tax pledge, which is unlimited as to rate and amount. Bond proceeds will finance various public safety expenditures and uptown infrastructure projects. Moody's maintains the Aa1 rating and stable outlook on the town's \$86.2 million of outstanding rated general obligation debt, including the current offering.

SUMMARY RATINGS RATIONALE

The Aa1 rating reflects the town's role in the metro area's strong and stable economy; the financial flexibility provided by home-rule status; and an elevated debt burden with slow principal amortization.

The stable outlook reflects the expectation that the town's financial position will continue to remain stable due to prudent fiscal management and home rule status.

Strengths

- Financial flexibility afforded by home-rule status
- Strong institutional/corporate presence in Bloomington-Normal MSA

Challenges

- Elevated debt profile with slow payout
- Weak socioeconomic indices

DETAILED CREDIT DISCUSSION

DIVERSE REGIONAL ECONOMY; ILLINOIS STATE UNIVERSITY PROVIDES SIZABLE INSTITUTIONAL PRESENCE

The town's tax base will likely remain stable due to its role in a sizable metropolitan economy and the institutional presence of Illinois State University (A3 negative). Normal, along with the City of Bloomington (Aa2 stable),

participates in a larger metropolitan economy that anchors McLean County's (Aa1) economy and features the corporate headquarters of State Farm Life Insurance Company (Long term rated Aa1 stable, 14,765 employees), Illinois State University and a Mitsubishi Corporation (A1/negative) automobile assembly plant. Management reports that employment levels at each of the aforementioned entities remains stable.

The town's \$2.5 billion tax base has grown at an average annual rate of 0.9% over the last five years. Notably, this figure does not capture the sizeable non-taxable property associated with the university. While the town experienced strong growth throughout most of the decade, recent tax base growth has narrowed, and most recently experienced 1.1% and 0.2% declines in 2012 and 2013, respectively, reflecting the impact of the broader national economy. Construction and development has led to continued population growth, as evidenced by the 13.4% population growth rate from 1990 to 2000 and a 15.7% increase from 2000 to 2010. The town's current population exceeds the 25,000 population required to achieve home rule status in Illinois. As a result, the town is now designated a home-rule unit of government, providing a substantial degree of financial flexibility. Resident income levels, which are partially depressed by the significant college presence, compare less favorably to similarly rated cities nationally. The town's median family income is equivalent to 128.1% of the national level.

FINANCIAL PROFILE MARKED BY HEALTHY GENERAL FUND RESERVES; ADDITIONAL FLEXIBILITY AFFORDED BY HOME-RULE STATUS

The town's financial operations are expected to remain stable as a result of conservative budget management as well as the financial flexibility derived from home rule status. Audited figures from fiscal 2012 show a General Fund operating surplus of \$3.7 million. Similar to the previous year, the favorable result was both revenue and expenditure driven. While total General Fund revenues exceeded budget by \$345,000, total expenditures came in below budget by approximately \$2.2 million. The operating surplus increased General Fund reserves to \$22.8 million, or a healthy 43.8% of revenues. This increase of \$6.3 million from the prior year-end incorporates the favorable operating results of fiscal 2012 as well as a \$2.7 million fund restatement, which incorporated reserve levels that were previously held outside the General Fund.

While the town budgeted for a \$18,000 operating surplus in fiscal 2013, audited results reflect a healthier \$2.6 million operating surplus. Similar to previous years, the favorable variance was both revenue and expenditure driven. Revenues, particularly economically-sensitive sales and income taxes came in stronger than budgeted expectation. On the expenditure side, the town recorded favorable variances in personnel and insurance related expenditures. Audited results for fiscal 2014, which concluded on March 31st, reflect a General Fund operating deficit of \$894,000. The draw was budgeted and driven by capital purchases and improvements expended out of the General Fund. Despite the budgeted draw, the General Fund maintained \$25.4 million in reserve, or a healthy 46.1% of General Fund revenues. Year-to-date trends for fiscal 2015, management expects to record a \$400,000 operating deficit. Notably, the expectation assumes full appropriation of budget resources, and any variances or under spending would result in a more modest draw. As a home-rule government, the town can implement a variety of revenue enhancements (including property, sales, utility, and food and beverage taxes) with council approval.

HIGH DEBT BURDEN; SLOW PRINCIPAL AMORTIZATION

The town's debt position will likely remain elevated over the medium-term. The town's debt burden is elevated at 7%, largely reflecting issuance by its overlapping school district. Similarly, the direct debt burden is above average at 3.5% of full valuation. Amortization of principal is slow (36.5% retired within ten years) as debt is structured with increasing maturities over thirty years. All of the town's debt is fixed rate, and the town is not a party to any interest rate swap agreements.

ELEVATED BUT MANAGEABLE PENSION LIABILITIES

Normal has an above average employee pension burden, based on unfunded liabilities for its participation in two single-employer plans and one multi-employer agent plan. Reported unfunded pension liabilities consist of \$15.8 million for the single-employer Normal Firefighters Pension Plan as of April 1, 2013, \$20 million for the single-employer Normal Police Pension Plan as of April 1, 2013, and \$13.9 million for Normal's portion of the Illinois Municipal Retirement Fund (IMRF) as of December 31, 2012. Together, these reported liabilities amount to \$49.8 million.

The town's adjusted net pension liability (ANPL), under Moody's methodology for adjusting reported pension information, was \$118.5 million. In fiscal 2013, the city's ANPL represented 2.15 times operating revenues and 4.76% of full valuation. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace Normal's reported liability information, but to

improve comparability with other rated entities.

OUTLOOK

The stable outlook reflects the expectation that the town's financial position will continue to remain stable due to prudent fiscal management and home rule status.

WHAT COULD CHANGE THE RATING - UP

- Significant expansion of the town's tax base
- Strengthening of General Fund reserves to levels above similarly rated entities

WHAT COULD CHANGE THE RATING - DOWN

- Weakening of the town's tax base and/or demographic profile
- Material declines in General Fund financial reserves and/or economically sensitive revenues

KEY STATISTICS:

Estimated full valuation: \$2.5 billion

Estimated full valuation per capita: \$46,135

Estimated median family income as % of the US: 128.1%

Available fund balance / operating revenue (fiscal 2013): 45.13%

5-year change in available fund balance / operating revenue: 22.37%

Net cash balance / operating revenue (fiscal 2013): 35.92%

5-year change in net cash balance / operating revenue: 18.78%

Institutional framework score: Aa

5-year average of operating revenue / operating expenditures: 1.03x

Net direct debt burden: 3.5% of full valuation; 1.55x operating revenue

3-year average Moody's ANPL: 3.80% of full valuation; 1.7x operating revenue

RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Analysts

Mark G. Lazarus
Lead Analyst
Public Finance Group
Moody's Investors Service

Edward Damutz
Additional Contact
Public Finance Group
Moody's Investors Service

Contacts

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
USA

MOODY'S
INVESTORS SERVICE

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Town of Normal, Illinois

General Obligation Bonds New Issue Report

Ratings

New Issue

General Obligation Bonds,
Series 2014

AAA

Outstanding Debt

General Obligation Bonds

AAA

Rating Outlook

Stable

New Issue Details

Sale Information: \$9,455,000 General Obligation Bonds, Series 2014, expected to sell via negotiation the week of Nov. 17.

Security: The full faith and credit and unlimited ad valorem taxing authority of Normal.

Purpose: To finance the construction of a new fire station and the cost of the town's contribution to a hotel development.

Final Maturity: June 1, 2034.

Key Rating Drivers

Strong Financial Performance and Flexibility: The town's financial profile is marked by a history of stable operating margins, conservative multiyear planning and considerable fund balances. The town's home-rule status provides revenue-raising flexibility.

Stable Economy: The town's economy is stable, showing growth through the recent recession and anchored by the insurance and higher education sectors.

Pension and Debt Pressures: Debt levels are somewhat elevated with slow amortization. Pensions are somewhat underfunded, although the town consistently pays its actuarially required contributions.

Rating Sensitivities

Pension Funding; Debt Burden: An increase in long-term liabilities, including a weakening of pension funding levels or sizable additional debt issuances, could result in downward rating pressure.

Related Research

Fitch Rates Normal, IL's GOs 'AAA';
Outlook Stable (November 2014)

Analysts

Eric Friedman
+1 212 908-9181
eric.friedman@fitchratings.com

Brendan Scher
+1 212 908-0686
brendan.scher@fitchratings.com

Rating History

Rating	Action	Outlook/ Watch	Date
AAA	Affirmed	Stable	11/10/14
AAA	Affirmed	Stable	8/27/13
AAA	Affirmed	Stable	10/2/12
AAA	Affirmed	Stable	11/11/10
AAA	Revised	Stable	4/30/10
AA+	Affirmed	Stable	7/14/09
AA+	Affirmed	Stable	7/23/08
AA+	Affirmed	Stable	2/13/07
AA+	Affirmed	Stable	3/6/06
AA+	Affirmed	Stable	5/6/05
AA+	Assigned	Stable	8/10/04

Credit Profile

Normal is located in central Illinois, approximately 130 miles from Chicago. The local economy is anchored by State Farm Insurance, which is headquartered in neighboring Bloomington, and four universities, the largest being Illinois State University (with a student population estimated at 20,272 for fall 2014).

Conservative Management; Strong Financial Flexibility

The town's long-term and conservative financial planning practices, as well as the revenue flexibility conferred by its home-rule status, have resulted in consistently high fund balance levels. The town has a high degree of revenue diversity, somewhat offsetting concerns about the economic sensitivity of the town's primary revenue sources — local and state sales taxes and state-shared income taxes. These sources combined represented 43% of general fund revenues in fiscal 2014. The town is considering adding or increasing some of its tax rates for fiscal 2016.

General Fund Financial Summary

(\$000, Audited Fiscal Years Ended March 31)

	2010	2011	2012	2013	2014
Property Tax Revenue	5,825	6,394	6,424	6,427	6,260
Sales Tax Revenue	6,633	7,983	8,759	9,041	8,903
Other Tax Revenue	9,156	10,152	10,497	10,995	11,055
Total Tax Revenue	21,614	24,529	25,680	26,463	26,218
License and Permits	808	735	690	664	691
Fines and Forfeits	2,047	2,213	1,984	1,807	1,995
Charges for Services	6,922	7,384	8,049	8,367	8,854
Intergovernmental Revenue	12,405	13,110	13,412	8,857	14,831
Other Revenue	2,121	2,124	2,215	2,675	2,484
General Fund Revenue	45,917	50,095	52,030	54,396	55,073
General Government	5,958	6,308	7,164	7,888	8,516
Public Safety Expenditures	18,288	19,031	19,085	19,248	21,106
Public Works Expenditures	4,710	4,360	4,193	4,860	5,463
Health and Social Services Expenditures	1,600	1,903	—	3,634	2,667
Culture and Recreation Expenditures	7,113	7,247	7,931	7,977	8,818
Other Expenditures	3,463	3,393	5,567	3,185	3,644
General Fund Expenditures	41,132	42,242	43,940	46,792	50,214
General Fund Surplus	4,785	7,853	8,090	7,604	4,859
Transfers In	683	401	61	57	1
Other Sources	0	0	0	413	0
Transfers Out	5,791	4,436	4,498	4,328	6,043
Net Transfers and Other	(5,108)	(4,035)	(4,437)	(3,858)	(6,042)
Net Surplus/(Deficit)	(323)	3,818	3,653	3,746	(1,183)
Total Fund Balance	12,652	16,469	22,818	26,564	25,381
As % of Expenditures, Transfers Out and Other Uses	27.0	35.3	47.1	52.0	45.1
Unreserved Fund Balance ^a	12,388	16,281	—	—	—
As % of Expenditures, Transfers Out and Other Uses	26.4	34.9	—	—	—
Unrestricted Fund Balance ^b	—	—	22,666	26,356	25,146
As % of Expenditures, Transfers Out and Other Uses	—	—	46.8	51.6	44.7

^aPre-GASB54. ^bReflects GASB 54 classifications: sum of committed, assigned and unassigned. Note: Numbers may not add due to rounding.

Related Criteria

Tax-Supported Rating Criteria (August 2012)

U.S. Local Government Tax-Supported Rating Criteria (August 2012)

Fiscal 2014 (year-ended March 31) had a \$1.2 million deficit, resulting in an unrestricted general fund balance of \$25.1 million, or a high 45% of general fund spending. Fiscal 2014 performance was largely driven by an 8% increase in income tax revenue, offsetting a small decline in sales tax revenues and a \$1.7 million increase in transfers out to finance capital improvement projects. The reduction in sales tax revenues was likely caused by a sizable reduction in the number of outside contractors working at State Farm. The deficit in fiscal 2014 came after three straight years of surpluses of about \$3.75 million per year.

The town's fiscal 2015 budget features a small surplus. The property tax rate was increased to fund the town's growing pension costs. The sales tax is up 2.75% year to date and the town is currently expecting to be on budget.

Stable Economic Profile

The town experienced healthy population growth of 15.6% between 2000 and 2010. The town's August 2014 unemployment rate of 6.8% was slightly above the state (6.7%) and national (6.3%) averages. Wealth levels are below average, likely limited by the town's large student population.

The town's assessed value (AV) was consistently growing until experiencing small declines the past two years, but is expected to be up 1.3% this year. Mitsubishi invested \$45 million in its plant for the highly successful Outlander and expects continued increases in production. The completion of the town's development of Uptown Station, highlighted by a new multimodal transportation center, has spurred business growth as well. State Farm's full-time work force has remained steady, with no future changes expected. Officials anticipate slightly increasing AV going forward, as building permits and home prices trend upward.

Elevated Debt Levels

The town's overall debt is \$3,197 per capita and a high 7.1% of market value, underlining the below-average market value per capita (\$45,000). Amortization is slow at 34% retiring in 10 years. Additional debt plans are manageable.

The town offers three pension plans to employees. The town participates in the Illinois Municipal Retirement Fund, which is moderately funded at an estimated 78% (based on a Fitch-adjusted 7% rate of return assumption). The town also has single-employer police and fire pensions, both of which are more poorly funded at between 60% and 65% based on a 7% rate of return. The town has taken steps to improve funding for the police and fire plans, with a 100% target funding level by 2040, greater than the state-mandated 90% by 2040. There have also been multiple recent reductions in the assumed rate of return, leading to increased contributions. The town consistently makes its actuarially calculated annual required contribution for all plans.

Debt Statistics

(\$000)	
This Issue	9,455
Outstanding Direct Debt — Net of Refunding	76,735
Total Net Direct Debt	86,190
Overlapping Debt	88,553
Total Overall Debt	174,743
Debt Ratios	
Net Direct Debt Per Capita (\$) ^a	1,577
As % of Market Value ^b	3.5
Overall Debt Per Capita (\$) ^a	3,197
As % of Market Value ^b	7.1

^aPopulation: 54,664 (fiscal 2013 estimate). ^bMarket value: \$2,460,009,000 (fiscal 2014 estimate). Note: Numbers may not add due to rounding.

The town's other post-employment benefits (OPEBs) liability is limited to an implicit rate subsidy. The plan's unfunded actuarially accrued liability was a moderate 1.5% of fiscal 2014 market value. Total carrying costs for the town's pensions, debt and OPEB are a manageable 18% of government fund expenditures, although these costs are expected to increase as the town improves pension funding.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

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The information in this report is provided "as is" without any representation or warranty of any kind. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion is based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at anytime for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

REGISTERED NO. R-1

REGISTERED \$340,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
3.00%	June 1, 2016	December 4, 2014	656066 NC7

Registered Owner: CEDE & CO.

Principal Amount: THREE HUNDRED FORTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-2

REGISTERED \$350,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
3.00%	June 1, 2017	December 4, 2014	656066 ND5

Registered Owner: CEDE & CO.

Principal Amount: THREE HUNDRED FIFTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-3

REGISTERED \$360,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
3.00%	June 1, 2018	December 4, 2014	656066 NE3

Registered Owner: CEDE & CO.

Principal Amount: THREE HUNDRED SIXTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-4

REGISTERED \$370,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2019	December 4, 2014	656066 NFO

Registered Owner: CEDE & CO.

Principal Amount: THREE HUNDRED SEVENTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-5

REGISTERED \$385,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2020	December 4, 2014	656066 NG8

Registered Owner: CEDE & CO.

Principal Amount: THREE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

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[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-6

REGISTERED \$400,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2021	December 4, 2014	656066 NH6

Registered Owner: CEDE & CO.

Principal Amount: FOUR HUNDRED THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-7

REGISTERED \$415,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2022	December 4, 2014	656066 NJ2

Registered Owner: CEDE & CO.

Principal Amount: FOUR HUNDRED FIFTEEN THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-8

REGISTERED \$435,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2023	December 4, 2014	656066 NK9

Registered Owner: CEDE & CO.

Principal Amount: FOUR HUNDRED THIRTY-FIVE THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-9

REGISTERED \$450,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2024	December 4, 2014	656066 NL7

Registered Owner: CEDE & CO.

Principal Amount: FOUR HUNDRED FIFTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-10

REGISTERED \$470,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2025	December 4, 2014	656066 NM5

Registered Owner: CEDE & CO.

Principal Amount: FOUR HUNDRED SEVENTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-11

REGISTERED \$490,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2026	December 4, 2014	656066 NN3

Registered Owner: CEDE & CO.

Principal Amount: FOUR HUNDRED NINETY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-12

REGISTERED \$1,040,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2028	December 4, 2014	656066 NQ6

Registered Owner: CEDE & CO.

Principal Amount: ONE MILLION FORTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the

Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-13

REGISTERED \$1,120,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2030	December 4, 2014	656066 NS2

Registered Owner: CEDE & CO.

Principal Amount: ONE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government

Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal

hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-14

REGISTERED \$1,215,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2032	December 4, 2014	656066 NU7

Registered Owner: CEDE & CO.

Principal Amount: ONE MILLION TWO HUNDRED FIFTEEN THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Town"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the President and Board of Trustees of the Town (the "Corporate Authorities") and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government

Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal

hereof and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

REGISTERED NO. R-15

REGISTERED \$1,315,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
4.00%	June 1, 2034	December 4, 2014	656066 NW3

Registered Owner: CEDE & CO.

Principal Amount: ONE MILLION THREE HUNDRED FIFTEEN THOUSAND DOLLARS

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Town of Normal, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “Town”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on June 1 and December 1 of each year, commencing June 1, 2015, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by U.S. Bank National Association, Indianapolis, Indiana, as Bond Registrar and Paying Agent or its successor (the “Bond Registrar”). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all of the taxable property in the Town without limitation as to rate or amount and the full faith and credit of the Town are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the “Bonds”) in the aggregate principal amount of \$9,155,000 issued by the Town for the purpose of paying costs of a project and a grant, and of paying the costs of all expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “Ordinance”) duly passed by the President and Board of Trustees of the Town (the “Corporate Authorities”) and the Bond Order of the Town. The Bonds are issued pursuant to and in all respects in compliance with the powers of the Town as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, the Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and

amended, 30 ILCS 350/1 *et seq.*, and the Omnibus Bond Acts, 5 ILCS 70/8, and in compliance with the Ordinance, in all respects as by law required.

[3] Bonds due on or after June 1, 2025, are subject to optional redemption, in whole or in part, on any date on or after June 1, 2024, in the principal amount from specified maturities, or in any order of maturity specified by the Town (but in inverse order if nothing is specified), at par plus accrued interest to the redemption date.

[4] Bonds maturing on June 1, 2028 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2027	\$510,000
2028*	\$530,000

*Maturity.

[5] Bonds maturing on June 1, 2030 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2029	\$550,000
2030*	\$570,000

*Maturity.

[6] Bonds maturing on June 1, 2032 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2031	\$595,000
2032*	\$620,000

*Maturity.

[7] Bonds maturing on June 1, 2034 shall be subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest on June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2033	\$645,000
2034*	\$670,000

*Maturity.

[8] Notice of redemption will be given to the registered owners of Bonds to be redeemed by first class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption at their addresses as shown on the registration books of the Bond Registrar. Failure to mail to any registered owner a notice of redemption, or any defect in a notice of redemption given to a registered owner, will not affect the sufficiency of that notice with respect to other registered owners of the Bonds. When Bonds have been called for redemption and funds for the payment of the redemption price have been deposited with the Paying Agent, interest on the Bonds so called for redemption will cease to accrue from and after the redemption date. So long as a global book-entry registration system is used, the Town will send notices of redemption to DTC. Any failure of DTC to mail a notice of redemption to a DTC participant or of a DTC participant to mail a notice of redemption to a beneficial owner of the Bonds will not affect the sufficiency of that notice with respect to other DTC participants or other beneficial owners of the Bonds.

[9] During such time as a global book-entry system is used, if less than all of the Bonds are to be redeemed, DTC will randomly allocate among DTC participants the beneficial ownership interests in the Bonds to be redeemed. Each DTC participant will be responsible for determining the beneficial owners whose interest in the Bonds will be subject to redemption. During such time as a global book-entry system is not in use, the Bond Registrar will select the particular Bonds or portions thereof to be redeemed pursuant to a partial redemption by such method of lottery as the Bond Registrar deems fair and appropriate; *provided, however*, that the method of lottery must ensure that each Bond of a \$5,000 denomination or each \$5,000 portion of a Bond will be as likely to be called for redemption as any other Bond of a \$5,000 denomination or \$5,000 portion of a Bond.

[10] The Bonds are issued in fully registered form in the denominations of \$5,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar in Indianapolis, Indiana, for a like aggregate principal amount of Bonds of the same interest rate of other authorized denominations upon the terms set forth in the Ordinance.

[11] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Indianapolis, Indiana, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

[13] No recourse shall be had for the payment of any Bond against the President, the Town Clerk, any member of the Board of Trustees or any other officer or employee of the Town (past, present or future) who executes any Bond, or on any other basis. The Town may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[14] The Town and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof

and interest due hereon and for all other purposes; and the Town and the Bond Registrar shall not be affected by any notice to the contrary.

[15] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Town, represented by the Bonds, and including all other indebtedness of the Town, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Town sufficient, with other funds set aside by the Town, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[16] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[17] The Town designates the Bonds "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Town of Normal, McLean County, Illinois, by its Corporate Authorities, has caused this Bond to be executed by the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or facsimile signature of its Town Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President, Town of Normal
McLean County, Illinois

Town Clerk, Town of Normal
McLean County, Illinois

(SEAL)

Date of Authentication: December 4, 2014

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and
Paying Agent

U.S. Bank National Association,
Indianapolis, Indiana
as Bond Registrar

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 2014 of the Town of Normal, McLean County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
Indianapolis, Indiana

By: _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be Completed by Issuer)

Town of Normal, Illinois

(Name of Issuer)

September 15, 2003

(Date)

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]

[For Corporate Issues:
General Counsel's Office; 49th Floor]

The Depository Trust Company
55 Water Street
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Town of Normal, Illinois

(Issuer)

By: 

(Authorized Officer's Signature)

Mark Peterson, Town Manager

(Print Name)

100 East Phoenix Avenue

(Street Address)

Normal, IL 61761

(City) (State) (Country)

(Zip Code)

(309) 454-2444 FAX: 454-9609

(Phone Number)

mpeterson@normal.org

(E-mail Address)



The Depository Trust &
Clearing Corporation

**Sample Offering Document Language
Describing DTC and Book-Entry-Only Issuance**

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (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 [each issue of] the Securities, [each] 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 securities 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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



The Depository Trust &
Clearing Corporation

corresponding detail information from Issuer or 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, Agent, or Issuer, 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 Issuer or 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 [Tender/Remarketing] 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 [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a 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 [Tender/Remarketing] 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 Issuer 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. Issuer may decide to discontinue use of the system of book-entry-only 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 Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.



The Depository Trust &
Clearing Corporation

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of **December 4, 2014**, is executed and delivered by **Town of Normal, McLean County, Illinois** (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary

Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the **Town’s Finance Director**, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than **210** days after the end of each fiscal year of the Issuer, commencing with the fiscal year ending **March 31, 2015**. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. "Principal and interest payment delinquencies;"
 - 2. "Non-Payment related defaults, if material;"
 - 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 - 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 - 5. "Substitution of credit or liquidity providers, or their failure to perform;"
 - 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 - 7. "Modifications to rights of securities holders, if material;"
 - 8. "Bond calls, if material;"

9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"
 12. "Tender offers;"
 13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 14. "Merger, consolidation, or acquisition of the obligated person, if material;" and
 15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. "amendment to continuing disclosure undertaking;"
 2. "change in obligated person;"
 3. "notice to investors pursuant to bond documents;"
 4. "certain communications from the Internal Revenue Service;"
 5. "secondary market purchases;"
 6. "bid for auction rate or other securities;"
 7. "capital or other financing plan;"
 8. "litigation/enforcement action;"
 9. "change of tender agent, remarketing agent, or other on-going party;"
 10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. "quarterly/monthly financial information;"
 2. "change in fiscal year/timing of annual disclosure;"
 3. "change in accounting standard;"
 4. "interim/additional financial information/operating data;"
 5. "budget;"
 6. "investment/debt/financial policy;"
 7. "information provided to rating agency, credit/liquidity provider or other third party;"
 8. "consultant reports;" and
 9. "other financial/operating data."
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information of the type contained in Appendix A to the Official Statement under the subheadings "Equalized Assessed Valuation", "Tax Extensions and Collections" and

“Tax Rates Per \$100 of Equalized Assessed Valuation” under the heading “EQUALIZED ASSESSED VALUATION AND TAX INFORMATION”; and (ii) information relating to the direct debt of the Town contained in Appendix A to the Official Statement under the heading “DEBT INFORMATION – Statement of Direct General Obligation Bonded Debt”.

(b) Audited Financial Statements prepared in accordance with auditing standards generally accepted in the United States as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with auditing standards generally accepted in the United States as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure

Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The

Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would

not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.


[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

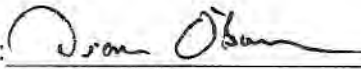
By: _____
Name: _____
Title: _____

TOWN OF NORMAL,
McLEAN COUNTY, ILLINOIS
as Issuer

By:  _____
Name: Mark R. Peterson,
Title: City Manager

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: 
Name: Diana O'Brien
Title: Vice President

**TOWN OF NORMAL,
McLEAN COUNTY, ILLINOIS**
as Issuer

By: _____
Name: Mark R. Peterson,
Title: City Manager

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer **Town of Normal, McLean County, Illinois**
Obligated Person(s) **N/A**
Name of Bond Issue: **General Obligation Bonds, Series 2014**
Date of Issuance: **December 4, 2014**
Date of Official Statement **November 18, 2014**

<u>MATURITY</u> <u>JUNE 1</u>	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	<u>CUSIP</u> [†] <u>656066</u>
2016	340,000	3.00	NC7
2017	350,000	3.00	ND5
2018	360,000	3.00	NE3
2019	370,000	4.00	NF0
2020	385,000	4.00	NG8
2021	400,000	4.00	NH6
2022	415,000	4.00	NJ2
2023	435,000	4.00	NK9
2024	450,000	4.00	NL7
2025	470,000	4.00	NM5
2026	490,000	4.00	NN3
2028	1,040,000	4.00	NQ6
2030	1,120,000	4.00	NS2
2032	1,215,000	4.00	NU7
2034	1,315,000	4.00	NW3

[†] CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers are provided for convenience of reference only.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: **Town of Normal, McLean County, Illinois**

Obligated Person: **N/A**

Name(s) of Bond Issue(s): **General Obligation Bonds, Series 2014**

Date(s) of Issuance: **December 4, 2014**

Date(s) of Disclosure Agreement: **December 4, 2014**

CUSIP Number: **656066**

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

cc:

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: **Town of Normal, McLean County, Illinois**

Issuer's Six-Digit CUSIP Number: **656066**

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):]

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of **December 4, 2014** between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: **Town of Normal, McLean County, Illinois**

Issuer's Six-Digit CUSIP Number: **656066**

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of **December 4, 2014** between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: **Town of Normal, McLean County, Illinois**

Issuer's Six-Digit CUSIP Number: **656066**

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):]

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

CERTIFICATE OF SIGNATURE
under the
UNIFORM FACSIMILE SIGNATURE OF PUBLIC OFFICIALS ACT
(Ill. Rev. Stat., ch. 102, par. 61 et seq.)

I, CHRISTOPHER KOOS, certify that I
am an "Authorized Official" of THE TOWN OF NORMAL, McLEAN COUNTY, ILLINOIS

within the meaning of the provisions of Section 1 (c) of the Uniform Facsimile Signature of Public
Officials Act and that my signature is required or permitted on a public security or instrument of pay-
ment as defined in said Act. That I am filling my signature with the Secretary of State, certified under
oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment
requiring or permitting my signature as provided under the Uniform Facsimile Signature of Public
Officials Act.

I, CHRISTOPHER KOOS, certify under oath,
that the following is my manual signature:

Christopher Koos
CHRISTOPHER KOOS

Subscribed and sworn to before me this 3rd day of December, A.D., 2003.

Christine Leese
Notary Public



Complete and return to: Secretary of State
Index Department
111 East Monroe Street
Springfield, Illinois 62756
(217) 782-7017

FILED
INDEX DEPARTMENT

DEC 15 2003

IN THE OFFICE OF
SECRETARY OF STATE

CERTIFICATE OF SIGNATURE
under the
UNIFORM FACSIMILE SIGNATURE OF PUBLIC OFFICIALS ACT
(Ill. Rev. Stat., ch. 102, par. 61 et seq.)

I, WENDELLYN J. BRIGGS, certify that I
am an "Authorized Official" of THE TOWN OF NORMAL, McLEAN COUNTY, ILLINOIS

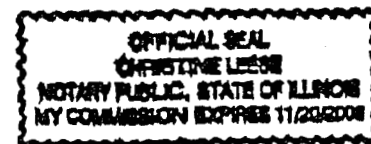
within the meaning of the provisions of Section 1 (c) of the Uniform Facsimile Signature of Public
Officials Act and that my signature is required or permitted on a public security or instrument of pay-
ment as defined in said Act. That I am filing my signature with the Secretary of State, certified under
oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment
requiring or permitting my signature as provided under the Uniform Facsimile Signature of Public
Officials Act.

I, WENDELLYN J. BRIGGS, certify under oath,
that the following is my manual signature:

Wendellyn J. Briggs
WENDELLYN J. BRIGGS

Subscribed and sworn to before me this 2nd day of December, A.D., 2003.

Christine Lease
Notary Public



Complete and return to: Secretary of State
Index Department
111 East Monroe Street
Springfield, Illinois 62756
(217) 782-7017

FILED
INDEX DEPARTMENT

DEC 15 2003

IN THE OFFICE OF
SECRETARY OF STATE

AGREEMENT RELATING TO PAYING AGENCY, REGISTRAR AND TRANSFER AGENCY

THIS PAYING AGENT/BOND REGISTRAR AGREEMENT (this "Agreement"), is entered into as of December 4, 2014 by and between the Town of Normal, Illinois (the "Issuer"), and U.S. Bank National Association ("Bank"), as Paying Agent and Bond Registrar.

RECITALS

WHEREAS the Issuer has duly authorized and provided for the issuance of its Bonds, entitled Town of Normal, Illinois General Obligation Bond Series 2014 (the "Bonds") in an aggregate principal amount of \$9,155,000 to be issued as fully registered bonds without coupons;

WHEREAS the Issuer will ensure all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS the Issuer and the Bank wish to provide the terms under which Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Bonds;

WHEREAS the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent and Bond Registrar for the Bonds;

WHEREAS the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

DEFINITIONS

Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bank" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America.

"Bond Register" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

"Fiscal Year" means the fiscal year of the Issuer ending on June 30th of each year.

"Issuer" means Town of Normal, Illinois.

"Paying Agent" means the Bank when it is performing the function of paying agent for the Bonds.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

"Registered Owner" means a Person in whose name a Bond is registered in the Bond Register.

"Registrar" means the Bank when it is performing the function of registrar for the Bonds.

"Stated Maturity" when used with respect to any Bond means the date specified in the Bond as the date on which the principal of such Bond is due and payable.

ARTICLE TWO

APPOINTMENT OF BANK AS PAYING AGENT AND BOND REGISTRAR

Section 2.01. Appointment and Acceptance.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, to pay to the Registered Owners in accordance with the terms and provisions of this Agreement the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar, the Bank shall keep and maintain for and on behalf of the Issuer, books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided.

The Bank hereby accepts its appointment, and agrees to act as Paying Agent and Bond Registrar.

Section 2.02. Compensation.

As compensation for the Bank's services as Paying Agent and Bond Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in a separate agreement between the Issuer and the Bank.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, made or incurred by the Bank in connection with entering into and performing under this Agreement and in connection with investigating and defending itself against any claim or liability in connection with its performance hereunder.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank, provided sufficient collected funds have been provided to it for such purpose by or on behalf of the Issuer, shall pay on behalf of the Issuer the principal of, redemption premium, if any, and interest on each Bond in accordance with the provisions of the Bond.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of, redemption premium (if any) and interest on the Bonds on the dates specified in the Bond, to the extent such funds have herein been provided by the Issuer.

The Bank shall not be required to pay interest on any funds of the Issuer for any period during which such funds are held by the Bank awaiting the presentation of the Bonds for payment.

Section 3.03 Receipt of Funds.

The Issuer hereby agrees to provide the Paying Agent with sufficient funds to make principal and interest payments as follows: (1) payment by check must be received by the Paying Agent at least 5 business days prior to payment date and (2) payment by wire must be received by Paying Agent no later than 11:30 a.m. CST on the payment date.

ARTICLE FOUR

REGISTRAR

Section 4.01. Initial Delivery of Bonds.

The Bonds will be initially registered and delivered to the purchaser designated by the Issuer as one Bond for each maturity. If such purchaser delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, deliver Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar.

The Bank shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which as been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or his attorney duly authorized in writing. The Registrar may request any supporting documentation it deems necessary or appropriate to affect a re-registration.

Section 4.03. Unauthenticated Bonds.

The Issuer shall provide to the Bank on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The Bank agrees that it will maintain such unauthenticated Bonds in safekeeping.

Section 4.04. Form of Bond Register.

The Bank as Registrar will maintain its records as Bond Registrar in accordance with the Bank's general practices and procedures in effect from time to time.

Section 4.05. Reports.

The Bank will not release or disclose the content of the Bond Register to any person other than to the Issuer at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer.

Section 4.06. Cancelled Bonds.

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the Issuer upon its written request.

Section 4.07. Mutilated, Lost, Stolen or Destroyed Bonds.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bank shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bank in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Bank of evidence satisfactory to the Bank that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bank of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is satisfactory to the Bank. All Bonds so surrendered to the Bank shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Bank with a bond of indemnity as set forth above.

ARTICLE FIVE

THE BANK

Section 5.01. Duties of Bank.

The Bank undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its gross negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(e) The Bank may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

Section 5.03. Recitals of Issuer.

The recitals contained in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

Section 5.04. May Own Bonds.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Bond Registrar for the Bonds.

Section 5.05. Money Held by Bank.

Money held by the Bank hereunder need not be segregated from other funds. The Bank shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder.

Any money deposited with or otherwise held by the Bank for the payment of the principal, redemption premium (if any) or interest on any Bond and remaining unclaimed, by the Registered Owner (or by the Issuer (which claim by the Issuer shall be made in writing) after maturity and prior to escheatment) will be escheated pursuant to the applicable state law. If funds are returned to the Issuer, the Issuer and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.

Section 5.06. Other Transactions.

The Bank may engage in or be interested in any financial or other transaction with the Issuer.

Section 5.07. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Issuer and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

Section 5.08. Indemnification.

The Issuer shall indemnify the Bank, its officers, directors, employees and agents ("Indemnified Parties") for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Bank's acceptance or administration of the Bank's duties hereunder (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to be attributable to the Bank's gross negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Such indemnity shall survive the termination or discharge of this Agreement or discharge of the Bonds.

ARTICLE SIX

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment

This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed, faxed, sent pdf or delivered to the Issuer or the Bank, respectively, at the address shown below, or such other address as may have been given by one party to the other by fifteen (15) days written notice:

If to the Issuer: Town of Normal
 Attn: Andrew Huhn, Director of Finance
 11 Uptown Circle, P. O. Box 589
 Normal, Illinois 61761

If to the Bank: U.S. Bank National Association
 Attn: T. Scott Fesler
 10 West Market Street
 Suite 1150
 Indianapolis, Indiana 46204

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 6.06. Severability.

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement shall constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Bond Registrar.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Term and Termination.

This Agreement shall be effective from and after its date and until the Bank resigns; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder.

The Bank may resign at any time by giving written notice thereof to the Issuer. If the Bank shall resign, or become incapable of acting, the Issuer shall promptly appoint a successor Paying Agent and Bond Registrar. If an instrument of acceptance by a successor Paying Agent and Bond Registrar shall not have been delivered to the Bank within thirty 30 days after the Bank gives notice of resignation, the Bank may petition any court of competent jurisdiction at the expense of the Issuer for the appointment of a successor Paying Agent and Bond Registrar. In the event of resignation of the Bank as Paying Agent and Bond Registrar, upon the written request of the Issuer and upon payment of all amounts owing to the Bank hereunder the Bank shall deliver to the Issuer or its designee all funds and unauthenticated Bonds, and a copy of the Bond Register. The provisions of Section 2.02 and Section 5.08 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Illinois.

Section 6.12. Documents to be Filed with Bank.

At the time of the Bank's appointment as Paying Agent and Bond Registrar, the Issuer shall file with the Bank the following documents: (a) a specimen Bond; (b) a copy of the opinion of bond counsel provided to the Issuer in connection with the issuance of the Bonds; and (c) such other information that the Bank may request.

Section 6.13. Patriot Act Compliance.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the Issuer and the Bank have caused this agreement to be executed in their respective names by their duly authorized representatives, in two counterparts, each of which shall be deemed an original.

Town of Normal, Illinois, Issuer

By: 
Andrew Huhn, Director of Finance

U.S. Bank National Association, *as*
Authentication Agent, Transfer Agent, Registrar
and Paying Agent

By: 
T. Scott Fesler, Vice President



U.S. BANK NATIONAL ASSOCIATION
("U.S. Bank")
Fee Schedule for
Registrar & Paying Agent
December 4, 2014

TOWN OF NORMAL, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2014
\$9,155,000

Acceptance: \$750.00

Annual Paying Agent Fee: \$750.00

All out-of-pocket expenses deemed necessary and incurred in the acceptance or the administration of this account by U.S. Bank, including but not limited to attorney's and agent's fees, extraordinary time and expenses of U.S. Bank, postage, supplies, long distance telephone charges, wire transfer fees, travel, redemption expenses, and courier expenses, are to be reimbursed in addition to payment for services rendered. Fees for activities not specifically contemplated herein shall be additional. Fees assume closing and delivery of certificates in Indianapolis, Indiana and no co-agent relationships. Fees are subject to U.S. Bank's review and approval of documents governing this issue. Fees are subject to revision upon written notice to the Issuer by U.S. Bank.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

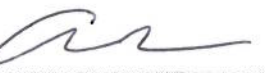
To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust, or other legal entity, we ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

ACCEPTED this 4th day of December, 2014

Town of Normal, Illinois

U.S. Bank National Association

By: 

Andrew J. Huhn
Director of Finance

By: 

T. Scott Fesler
Vice President



353 North Clark Street, Chicago Illinois 60654
312.595.6000 – mesirovfinancial.com

CLOSING INSTRUCTIONS AND FLOW OF FUNDS MEMORANDUM

**Town of Normal
McLean County, Illinois
\$9,155,000 General Obligation Bonds, Series 2014**

		<u>Phone Number</u>
TO:	Andrew Huhn – Town of Normal	309-454-9742
	Karen Killingsworth – Town of Normal	309-454-9514
	Brian Day – Town of Normal	309-454-9507
	Michael Southworth – Hart, Southworth & Witsman	217-753-0055
	Scott Fesler – U.S. Bank National Association	317-264-2501
	Lawrence White – Chapman and Cutler LLP	312-845-3426
FROM:	Todd Krzyskowski – Mesirow Financial	312-595-7842
	Daniel Barlow – Mesirow Financial	312-595-6203
RE:	Town of Normal	
	McLean County, Illinois	
	\$9,155,000 General Obligation Bonds, Series 2014	

CLOSING INSTRUCTIONS

The following are closing instructions (including wire transfers) for the above referenced transaction, which will take place via telephone at **10 a.m. (Central)** on **December 4, 2014**.

Total Sources and Uses of Funds of the bond sale are as follows:

Sources

Par Amount of the Bonds.....	\$9,155,000.00
Plus: Premium.....	784,312.85
Less: Underwriter’s Discount	<u>(54,472.25)</u>
Net Bond Proceeds	9,884,840.60

Sources of Funds – Grand Total

\$9,884,840.60

Uses

- 1) On behalf of Mesirow Financial, **Pershing** will wire transfer bond proceeds to the Town of Normal, Illinois. Proceeds will be deposited into the 2014 Project Account and used to fund the cost of the Town’s contribution to the One Uptown Circle Hotel, construction of a new fire station, and pay for bond issuance cost as detailed in the Bond Ordinance. Proceeds will be transferred from Mesirow Financial Account # QMZ893012 by 9:00 a.m. (Central) on December 4, 2014.

Contribution to One Uptown Circle Hotel	\$5,100,000.00
Fire Station Construction.....	4,723,933.60
Bond Issuance Expenses	60,907.00
Total funds to be wired:	\$9,884,840.60

Wire Instructions

Heartland Bank & Trust Co.
ABA #: 071 112 066
Acct #: 150266
Acct Name: Consolidated Account (Town of Normal)
Contact: Karen Killingsworth (309-454-9514)

Upon successful settlement of the Bonds, the Town of Normal shall pay expenses incurred in the authorization, sale and issuance of the Bonds from moneys deposited in the 2014 Project Account pursuant to the Bond Ordinance. The expected bond issuance expenses are summarized below:

Bond Counsel (<i>Hart, Southworth and Witsman</i>).....	\$20,000.00
Underwriter’s Counsel (<i>Chapman and Cutler LLP</i>)	10,000.00
Rating Agency (<i>Moody’s</i>)	12,350.00
Rating Agency (<i>Fitch</i>).....	14,000.00
Digital Assurance Certification	2,500.00
Bond Registrar/Paying Agent (<i>U.S. Bank National Association</i>)	1,500.00
CUSIP Numbers (<i>CUSIP Service Bureau</i>).....	557.00
<i>Total Expected Bond Issuance Expenses</i>	<i>\$60,907.00</i>

Uses of Funds – Grand Total **\$9,884,840.60**

Details:

- (a) Bonds to be registered to the Depository Trust Co. of New York in the name of Cede and Co.
- (b) Mesirow Financial will take delivery of the Bonds at closing via its DTC Account #443.
- (c) DTC closing contact #: 212-855-3752, ext. 3753 or 3754

Please contact Todd Krzyskowski (312) 595-7842 or Daniel Barlow (312) 595-6203 as soon as possible if you have any questions regarding the closing procedures.

Mike Southworth

From: Karen Killingsworth [kkillingsworth@normal.org]
Sent: Thursday, December 04, 2014 9:14 AM
To: Barlow, Daniel
Cc: Andrew Huhn; Brian Day; Mike Southworth (msouthworth@hswnet.com); scott.fesler@usbank.com; white@chapman.com; Kent Floros
Subject: RE: Closing Normal IL

Dan,

We have received notification from Heartland that they have received the wire.

Thanks,
Karen

Karen Killingsworth, CPA
Finance Manager
Town of Normal
11 Uptown Circle
Normal, IL 61761
(309)454-9514
kkillingsworth@normal.org

From: Barlow, Daniel [<mailto:dbarlow@mesirowfinancial.com>]
Sent: Thursday, December 04, 2014 9:09 AM
To: Karen Killingsworth
Cc: Andrew Huhn; Brian Day; Mike Southworth (msouthworth@hswnet.com); scott.fesler@usbank.com; white@chapman.com; Kent Floros
Subject: FW: Closing Normal IL

Karen,
See email below for the Fed Ref # for the wire we sent to Heartland Bank this morning.

Please confirm that the funds have been received and we will close the bond issue.

Thanks,
Dan

Daniel M. Barlow
Associate
Public Finance

Mesirow Financial
353 North Clark Street
Chicago, Illinois 60654
v 312.595.6203
f 312.595.6988
e dbarlow@mesirowfinancial.com

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From: Buckley, Kenneth J [<mailto:Kenneth.J.Buckley@pershing.com>]

Sent: Thursday, December 04, 2014 8:43 AM

To: Duffin, John

Cc: Syndicates

Subject: RE: Closing (mesirow financial)

Reference 9:30

\$9,884,840.60 2234

Kenneth Buckley
Global Clearance Special Handling
Pershing LLC, a BNY Mellon company
Office: 201-413-2627
E-mail: Kenneth.J.Buckley@pershing.com

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Town of Normal, Illinois
General Obligation Bonds, Series 2014
Final Numbers as of 11/18/2014

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SOURCES AND USES OF FUNDS

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Final Numbers as of 11/18/2014

Dated Date 12/04/2014
Delivery Date 12/04/2014

Sources:

Bond Proceeds:	
Par Amount	9,155,000.00
Premium	784,312.85
	<hr/>
	9,939,312.85

Uses:

Project Fund Deposits:	
One Uptown Project Fund	5,100,000.00
Fire Station Renewal Project Fund	4,723,933.60
	<hr/>
	9,823,933.60

Delivery Date Expenses:	
Cost of Issuance	60,907.00
Underwriter's Discount	54,472.25
	<hr/>
	115,379.25
	<hr/>
	9,939,312.85

COST OF ISSUANCE

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Final Numbers as of 11/18/2014

Cost of Issuance	\$/1000	Amount
Bond Counsel	2.18460	20,000.00
Underwriter's Counsel	1.09230	10,000.00
Rating Agency - Moody's	1.34899	12,350.00
Rating Agency - Fitch	1.52922	14,000.00
Digital Assurance Certification	0.27307	2,500.00
Bond Registrar / Paying Agent	0.16384	1,500.00
CUSIP Numbers	0.06084	557.00
	6.65287	60,907.00

BOND SUMMARY STATISTICS

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Final Numbers as of 11/18/2014

Dated Date	12/04/2014
Delivery Date	12/04/2014
First Coupon	06/01/2015
Last Maturity	06/01/2034
Arbitrage Yield	2.756369%
True Interest Cost (TIC)	3.121029%
Net Interest Cost (NIC)	3.290691%
All-In TIC	3.188415%
Average Coupon	3.975272%
Average Life (years)	11.645
Weighted Average Maturity (years)	11.589
Duration of Issue (years)	9.327
Par Amount	9,155,000.00
Bond Proceeds	9,939,312.85
Total Interest	4,238,085.83
Net Interest	3,508,245.23
Total Debt Service	13,393,085.83
Maximum Annual Debt Service	697,600.00
Average Annual Debt Service	687,118.55
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.950000
Total Underwriter's Discount	5.950000
Bid Price	107.972044

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	4,465,000.00	110.373	3.914%	6.863	2,828.05
2028 Term Bond	1,040,000.00	108.206	4.000%	13.001	894.40
2030 Term Bond	1,120,000.00	107.351	4.000%	15.001	952.00
2032 Term Bond	1,215,000.00	106.503	4.000%	17.002	1,020.60
2034 Term Bond	1,315,000.00	105.664	4.000%	19.001	1,104.60
	9,155,000.00			11.645	6,799.65

BOND SUMMARY STATISTICS

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Final Numbers as of 11/18/2014

	TIC	All-In TIC	Arbitrage Yield
Par Value	9,155,000.00	9,155,000.00	9,155,000.00
+ Accrued Interest			
+ Premium (Discount)	784,312.85	784,312.85	784,312.85
- Underwriter's Discount	-54,472.25	-54,472.25	
- Cost of Issuance Expense		-60,907.00	
- Other Amounts			
Target Value	9,884,840.60	9,823,933.60	9,939,312.85
Target Date	12/04/2014	12/04/2014	12/04/2014
Yield	3.121029%	3.188415%	2.756369%

BOND PRICING

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Final Numbers as of 11/18/2014

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	06/01/2016	340,000	3.000%	0.600%	103.558				12,097.20
	06/01/2017	350,000	3.000%	0.800%	105.416				18,956.00
	06/01/2018	360,000	3.000%	1.050%	106.668				24,004.80
	06/01/2019	370,000	4.000%	1.350%	111.511				42,590.70
	06/01/2020	385,000	4.000%	1.650%	112.289				47,312.65
	06/01/2021	400,000	4.000%	1.950%	112.443				49,772.00
	06/01/2022	415,000	4.000%	2.200%	112.369				51,331.35
	06/01/2023	435,000	4.000%	2.350%	112.634				54,957.90
	06/01/2024	450,000	4.000%	2.470%	112.874				57,933.00
	06/01/2025	470,000	4.000%	2.620%	111.530 C	2.729%	06/01/2024	100.000	54,191.00
	06/01/2026	490,000	4.000%	2.770%	110.204 C	2.947%	06/01/2024	100.000	49,999.60
		<u>4,465,000</u>							<u>463,146.20</u>
2028 Term Bond:									
	06/01/2027	510,000	4.000%	3.000%	108.206 C	3.244%	06/01/2024	100.000	41,850.60
	06/01/2028	530,000	4.000%	3.000%	108.206 C	3.244%	06/01/2024	100.000	43,491.80
		<u>1,040,000</u>							<u>85,342.40</u>
2030 Term Bond:									
	06/01/2029	550,000	4.000%	3.100%	107.351 C	3.386%	06/01/2024	100.000	40,430.50
	06/01/2030	570,000	4.000%	3.100%	107.351 C	3.386%	06/01/2024	100.000	41,900.70
		<u>1,120,000</u>							<u>82,331.20</u>
2032 Term Bond:									
	06/01/2031	595,000	4.000%	3.200%	106.503 C	3.500%	06/01/2024	100.000	38,692.85
	06/01/2032	620,000	4.000%	3.200%	106.503 C	3.500%	06/01/2024	100.000	40,318.60
		<u>1,215,000</u>							<u>79,011.45</u>
2034 Term Bond:									
	06/01/2033	645,000	4.000%	3.300%	105.664 C	3.593%	06/01/2024	100.000	36,532.80
	06/01/2034	670,000	4.000%	3.300%	105.664 C	3.593%	06/01/2024	100.000	37,948.80
		<u>1,315,000</u>							<u>74,481.60</u>
		<u>9,155,000</u>							<u>784,312.85</u>

BOND PRICING

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Final Numbers as of 11/18/2014

Dated Date	12/04/2014	
Delivery Date	12/04/2014	
First Coupon	06/01/2015	
Par Amount	9,155,000.00	
Premium	784,312.85	
	<hr/>	
Production	9,939,312.85	108.567044%
Underwriter's Discount	-54,472.25	-0.595000%
	<hr/>	
Purchase Price	9,884,840.60	107.972044%
Accrued Interest		
	<hr/>	
Net Proceeds	9,884,840.60	

NET DEBT SERVICE

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Final Numbers as of 11/18/2014

Date	Principal	Coupon	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
06/01/2015			174,885.83	174,885.83	174,885.83	174,885.83
12/01/2015			177,850.00	177,850.00	177,850.00	
06/01/2016	340,000	3.000%	177,850.00	517,850.00	517,850.00	695,700.00
12/01/2016			172,750.00	172,750.00	172,750.00	
06/01/2017	350,000	3.000%	172,750.00	522,750.00	522,750.00	695,500.00
12/01/2017			167,500.00	167,500.00	167,500.00	
06/01/2018	360,000	3.000%	167,500.00	527,500.00	527,500.00	695,000.00
12/01/2018			162,100.00	162,100.00	162,100.00	
06/01/2019	370,000	4.000%	162,100.00	532,100.00	532,100.00	694,200.00
12/01/2019			154,700.00	154,700.00	154,700.00	
06/01/2020	385,000	4.000%	154,700.00	539,700.00	539,700.00	694,400.00
12/01/2020			147,000.00	147,000.00	147,000.00	
06/01/2021	400,000	4.000%	147,000.00	547,000.00	547,000.00	694,000.00
12/01/2021			139,000.00	139,000.00	139,000.00	
06/01/2022	415,000	4.000%	139,000.00	554,000.00	554,000.00	693,000.00
12/01/2022			130,700.00	130,700.00	130,700.00	
06/01/2023	435,000	4.000%	130,700.00	565,700.00	565,700.00	696,400.00
12/01/2023			122,000.00	122,000.00	122,000.00	
06/01/2024	450,000	4.000%	122,000.00	572,000.00	572,000.00	694,000.00
12/01/2024			113,000.00	113,000.00	113,000.00	
06/01/2025	470,000	4.000%	113,000.00	583,000.00	583,000.00	696,000.00
12/01/2025			103,600.00	103,600.00	103,600.00	
06/01/2026	490,000	4.000%	103,600.00	593,600.00	593,600.00	697,200.00
12/01/2026			93,800.00	93,800.00	93,800.00	
06/01/2027	510,000	4.000%	93,800.00	603,800.00	603,800.00	697,600.00
12/01/2027			83,600.00	83,600.00	83,600.00	
06/01/2028	530,000	4.000%	83,600.00	613,600.00	613,600.00	697,200.00
12/01/2028			73,000.00	73,000.00	73,000.00	
06/01/2029	550,000	4.000%	73,000.00	623,000.00	623,000.00	696,000.00
12/01/2029			62,000.00	62,000.00	62,000.00	
06/01/2030	570,000	4.000%	62,000.00	632,000.00	632,000.00	694,000.00
12/01/2030			50,600.00	50,600.00	50,600.00	
06/01/2031	595,000	4.000%	50,600.00	645,600.00	645,600.00	696,200.00
12/01/2031			38,700.00	38,700.00	38,700.00	
06/01/2032	620,000	4.000%	38,700.00	658,700.00	658,700.00	697,400.00
12/01/2032			26,300.00	26,300.00	26,300.00	
06/01/2033	645,000	4.000%	26,300.00	671,300.00	671,300.00	697,600.00
12/01/2033			13,400.00	13,400.00	13,400.00	
06/01/2034	670,000	4.000%	13,400.00	683,400.00	683,400.00	696,800.00
	9,155,000		4,238,085.83	13,393,085.83	13,393,085.83	13,393,085.83

PROOF OF ARBITRAGE YIELD

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Final Numbers as of 11/18/2014

Date	Debt Service	PV Factor	Present Value to 12/04/2014 @ 2.7563688841%
06/01/2015	174,885.83	0.986630566	172,547.71
12/01/2015	177,850.00	0.973217829	173,086.79
06/01/2016	517,850.00	0.959987432	497,129.49
12/01/2016	172,750.00	0.946936895	163,583.35
06/01/2017	522,750.00	0.934063773	488,281.84
12/01/2017	167,500.00	0.921365655	154,328.75
06/01/2018	527,500.00	0.908840162	479,413.19
12/01/2018	162,100.00	0.896484945	145,320.21
06/01/2019	532,100.00	0.884297692	470,534.80
12/01/2019	154,700.00	0.872276118	134,941.12
06/01/2020	539,700.00	0.860417972	464,367.58
12/01/2020	147,000.00	0.848721031	124,761.99
06/01/2021	547,000.00	0.837183103	457,939.16
12/01/2021	139,000.00	0.825802028	114,786.48
06/01/2022	554,000.00	0.814575673	451,274.92
12/01/2022	130,700.00	0.803501934	105,017.70
06/01/2023	565,700.00	0.792578738	448,361.79
12/01/2023	122,000.00	0.781804036	95,380.09
06/01/2024	6,222,000.00	0.771175811	4,798,255.90
	12,077,085.83		9,939,312.85

Proceeds Summary

Delivery date	12/04/2014
Par Value	9,155,000.00
Premium (Discount)	784,312.85
Target for yield calculation	9,939,312.85

PROOF OF ARBITRAGE YIELD

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Final Numbers as of 11/18/2014

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 12/04/2014 @ 2.7563688841%
SERIAL	06/01/2025	4.000%	2.620%	06/01/2024	100.000	-5,666.24
SERIAL	06/01/2026	4.000%	2.770%	06/01/2024	100.000	590.04
TERM_28	06/01/2027	4.000%	3.000%	06/01/2024	100.000	10,803.92
TERM_28	06/01/2028	4.000%	3.000%	06/01/2024	100.000	11,227.61
TERM_30	06/01/2029	4.000%	3.100%	06/01/2024	100.000	16,353.79
TERM_30	06/01/2030	4.000%	3.100%	06/01/2024	100.000	16,948.47
TERM_32	06/01/2031	4.000%	3.200%	06/01/2024	100.000	22,737.43
TERM_32	06/01/2032	4.000%	3.200%	06/01/2024	100.000	23,692.78
TERM_34	06/01/2033	4.000%	3.300%	06/01/2024	100.000	30,059.68
TERM_34	06/01/2034	4.000%	3.300%	06/01/2024	100.000	31,224.79

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 12/04/2014 @ 2.7563688841%	Increase to NPV
SERIAL	06/01/2025	4.000%	2.620%			-1,250.17	4,416.07
SERIAL	06/01/2026	4.000%	2.770%			9,673.69	9,083.65
TERM_28	06/01/2027	4.000%	3.000%			24,794.94	13,991.02
TERM_28	06/01/2028	4.000%	3.000%			30,354.49	19,126.88
TERM_30	06/01/2029	4.000%	3.100%			40,834.19	24,480.40
TERM_30	06/01/2030	4.000%	3.100%			46,989.62	30,041.15
TERM_32	06/01/2031	4.000%	3.200%			58,839.91	36,102.48
TERM_32	06/01/2032	4.000%	3.200%			66,121.75	42,428.97
TERM_34	06/01/2033	4.000%	3.300%			79,067.90	49,008.22
TERM_34	06/01/2034	4.000%	3.300%			87,053.08	55,828.29

FORM 8038 STATISTICS

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Final Numbers as of 11/18/2014

Dated Date 12/04/2014
Delivery Date 12/04/2014

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	06/01/2016	340,000.00	3.000%	103.558	352,097.20	340,000.00
	06/01/2017	350,000.00	3.000%	105.416	368,956.00	350,000.00
	06/01/2018	360,000.00	3.000%	106.668	384,004.80	360,000.00
	06/01/2019	370,000.00	4.000%	111.511	412,590.70	370,000.00
	06/01/2020	385,000.00	4.000%	112.289	432,312.65	385,000.00
	06/01/2021	400,000.00	4.000%	112.443	449,772.00	400,000.00
	06/01/2022	415,000.00	4.000%	112.369	466,331.35	415,000.00
	06/01/2023	435,000.00	4.000%	112.634	489,957.90	435,000.00
	06/01/2024	450,000.00	4.000%	112.874	507,933.00	450,000.00
	06/01/2025	470,000.00	4.000%	111.530	524,191.00	470,000.00
	06/01/2026	490,000.00	4.000%	110.204	539,999.60	490,000.00
2028 Term Bond:						
	06/01/2027	510,000.00	4.000%	108.206	551,850.60	510,000.00
	06/01/2028	530,000.00	4.000%	108.206	573,491.80	530,000.00
2030 Term Bond:						
	06/01/2029	550,000.00	4.000%	107.351	590,430.50	550,000.00
	06/01/2030	570,000.00	4.000%	107.351	611,900.70	570,000.00
2032 Term Bond:						
	06/01/2031	595,000.00	4.000%	106.503	633,692.85	595,000.00
	06/01/2032	620,000.00	4.000%	106.503	660,318.60	620,000.00
2034 Term Bond:						
	06/01/2033	645,000.00	4.000%	105.664	681,532.80	645,000.00
	06/01/2034	670,000.00	4.000%	105.664	707,948.80	670,000.00
		9,155,000.00			9,939,312.85	9,155,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/01/2034	4.000%	707,948.80	670,000.00		
Entire Issue			9,939,312.85	9,155,000.00	11.5885	2.7564%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	115,379.25
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

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Town of Normal, Illinois
General Obligation Bonds, Series 2014
Pro Forma Final Numbers Based Upon First Sale to Public

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SOURCES AND USES OF FUNDS

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Pro Forma Final Numbers Based Upon First Sale to Public

Dated Date 12/04/2014
 Delivery Date 12/04/2014

Sources:

Bond Proceeds:	
Par Amount	9,155,000.00
Premium	826,514.65
<hr/>	
	9,981,514.65
<hr/> <hr/>	

Uses:

Project Fund Deposits:	
One Uptown Project Fund	5,100,000.00
Fire Station Renewal Project Fund	4,723,933.60
	<hr/>
	9,823,933.60

Delivery Date Expenses:	
Cost of Issuance	60,907.00
Underwriter's Discount	54,472.25
	<hr/>
	115,379.25

Other Uses of Funds:	
Additional Proceeds	42,201.80
	<hr/>
	9,981,514.65
<hr/> <hr/>	

Notes:

Based upon the Underwriter's reasonable expectations and EMMA trade data as of December 1, 2014.
 Pro forma adjustments to the initial offering price made to the 2020-2028 and 2034 maturities.

BOND SUMMARY STATISTICS

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Pro Forma Final Numbers Based Upon First Sale to Public

Dated Date	12/04/2014
Delivery Date	12/04/2014
First Coupon	06/01/2015
Last Maturity	06/01/2034
Arbitrage Yield	2.695013%
True Interest Cost (TIC)	3.074679%
Net Interest Cost (NIC)	3.251106%
All-In TIC	3.141662%
Average Coupon	3.975272%
Average Life (years)	11.645
Weighted Average Maturity (years)	11.593
Duration of Issue (years)	9.341
Par Amount	9,155,000.00
Bond Proceeds	9,981,514.65
Total Interest	4,238,085.83
Net Interest	3,466,043.43
Total Debt Service	13,393,085.83
Maximum Annual Debt Service	697,600.00
Average Annual Debt Service	687,118.55
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.950000
Total Underwriter's Discount	5.950000
Bid Price	108.433014

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	4,465,000.00	110.870	3.914%	6.863	2,846.30
2028 Term Bond	1,040,000.00	109.069	4.000%	13.001	894.40
2030 Term Bond	1,120,000.00	107.351	4.000%	15.001	952.00
2032 Term Bond	1,215,000.00	106.503	4.000%	17.002	1,020.60
2034 Term Bond	1,315,000.00	106.503	4.000%	19.001	1,104.60
	9,155,000.00			11.645	6,817.90

BOND SUMMARY STATISTICS

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Pro Forma Final Numbers Based Upon First Sale to Public

	TIC	All-In TIC	Arbitrage Yield
Par Value	9,155,000.00	9,155,000.00	9,155,000.00
+ Accrued Interest			
+ Premium (Discount)	826,514.65	826,514.65	826,514.65
- Underwriter's Discount	-54,472.25	-54,472.25	
- Cost of Issuance Expense		-60,907.00	
- Other Amounts			
Target Value	9,927,042.40	9,866,135.40	9,981,514.65
Target Date	12/04/2014	12/04/2014	12/04/2014
Yield	3.074679%	3.141662%	2.695013%

Notes:

Based upon the Underwriter's reasonable expectations and EMMA trade data as of December 1, 2014.
 Pro forma adjustments to the initial offering price made to the 2020-2028 and 2034 maturities.

BOND PRICING

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Pro Forma Final Numbers Based Upon First Sale to Public

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	06/01/2016	340,000	3.000%	0.600%	103.558				12,097.20
	06/01/2017	350,000	3.000%	0.800%	105.416				18,956.00
	06/01/2018	360,000	3.000%	1.050%	106.668				24,004.80
	06/01/2019	370,000	4.000%	1.350%	111.511				42,590.70
	06/01/2020	385,000	4.000%	1.570%	112.737				49,037.45
	06/01/2021	400,000	4.000%	1.900%	112.768				51,072.00
	06/01/2022	415,000	4.000%	2.100%	113.107				54,394.05
	06/01/2023	435,000	4.000%	2.300%	113.045				56,745.75
	06/01/2024	450,000	4.000%	2.370%	113.781				62,014.50
	06/01/2025	470,000	4.000%	2.500%	112.604 C	2.618%	06/01/2024	100.000	59,238.80
	06/01/2026	490,000	4.000%	2.650%	111.263 C	2.844%	06/01/2024	100.000	55,188.70
		<u>4,465,000</u>							<u>485,339.95</u>
2028 Term Bond:									
	06/01/2027	510,000	4.000%	2.900%	109.069 C	3.169%	06/01/2024	100.000	46,251.90
	06/01/2028	530,000	4.000%	2.900%	109.069 C	3.169%	06/01/2024	100.000	48,065.70
		<u>1,040,000</u>							<u>94,317.60</u>
2030 Term Bond:									
	06/01/2029	550,000	4.000%	3.100%	107.351 C	3.386%	06/01/2024	100.000	40,430.50
	06/01/2030	570,000	4.000%	3.100%	107.351 C	3.386%	06/01/2024	100.000	41,900.70
		<u>1,120,000</u>							<u>82,331.20</u>
2032 Term Bond:									
	06/01/2031	595,000	4.000%	3.200%	106.503 C	3.500%	06/01/2024	100.000	38,692.85
	06/01/2032	620,000	4.000%	3.200%	106.503 C	3.500%	06/01/2024	100.000	40,318.60
		<u>1,215,000</u>							<u>79,011.45</u>
2034 Term Bond:									
	06/01/2033	645,000	4.000%	3.200%	106.503 C	3.535%	06/01/2024	100.000	41,944.35
	06/01/2034	670,000	4.000%	3.200%	106.503 C	3.535%	06/01/2024	100.000	43,570.10
		<u>1,315,000</u>							<u>85,514.45</u>
		<u>9,155,000</u>							<u>826,514.65</u>

BOND PRICING

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Pro Forma Final Numbers Based Upon First Sale to Public

Dated Date	12/04/2014	
Delivery Date	12/04/2014	
First Coupon	06/01/2015	
Par Amount	9,155,000.00	
Premium	826,514.65	
Production	9,981,514.65	109.028014%
Underwriter's Discount	-54,472.25	-0.595000%
Purchase Price	9,927,042.40	108.433014%
Accrued Interest		
Net Proceeds	9,927,042.40	

Notes:

Based upon the Underwriter's reasonable expectations and EMMA trade data as of December 1, 2014.
 Pro forma adjustments to the initial offering price made to the 2020-2028 and 2034 maturities.

NET DEBT SERVICE

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Pro Forma Final Numbers Based Upon First Sale to Public

Date	Principal	Coupon	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
06/01/2015			174,885.83	174,885.83	174,885.83	174,885.83
12/01/2015			177,850.00	177,850.00	177,850.00	
06/01/2016	340,000	3.000%	177,850.00	517,850.00	517,850.00	695,700.00
12/01/2016			172,750.00	172,750.00	172,750.00	
06/01/2017	350,000	3.000%	172,750.00	522,750.00	522,750.00	695,500.00
12/01/2017			167,500.00	167,500.00	167,500.00	
06/01/2018	360,000	3.000%	167,500.00	527,500.00	527,500.00	695,000.00
12/01/2018			162,100.00	162,100.00	162,100.00	
06/01/2019	370,000	4.000%	162,100.00	532,100.00	532,100.00	694,200.00
12/01/2019			154,700.00	154,700.00	154,700.00	
06/01/2020	385,000	4.000%	154,700.00	539,700.00	539,700.00	694,400.00
12/01/2020			147,000.00	147,000.00	147,000.00	
06/01/2021	400,000	4.000%	147,000.00	547,000.00	547,000.00	694,000.00
12/01/2021			139,000.00	139,000.00	139,000.00	
06/01/2022	415,000	4.000%	139,000.00	554,000.00	554,000.00	693,000.00
12/01/2022			130,700.00	130,700.00	130,700.00	
06/01/2023	435,000	4.000%	130,700.00	565,700.00	565,700.00	696,400.00
12/01/2023			122,000.00	122,000.00	122,000.00	
06/01/2024	450,000	4.000%	122,000.00	572,000.00	572,000.00	694,000.00
12/01/2024			113,000.00	113,000.00	113,000.00	
06/01/2025	470,000	4.000%	113,000.00	583,000.00	583,000.00	696,000.00
12/01/2025			103,600.00	103,600.00	103,600.00	
06/01/2026	490,000	4.000%	103,600.00	593,600.00	593,600.00	697,200.00
12/01/2026			93,800.00	93,800.00	93,800.00	
06/01/2027	510,000	4.000%	93,800.00	603,800.00	603,800.00	697,600.00
12/01/2027			83,600.00	83,600.00	83,600.00	
06/01/2028	530,000	4.000%	83,600.00	613,600.00	613,600.00	697,200.00
12/01/2028			73,000.00	73,000.00	73,000.00	
06/01/2029	550,000	4.000%	73,000.00	623,000.00	623,000.00	696,000.00
12/01/2029			62,000.00	62,000.00	62,000.00	
06/01/2030	570,000	4.000%	62,000.00	632,000.00	632,000.00	694,000.00
12/01/2030			50,600.00	50,600.00	50,600.00	
06/01/2031	595,000	4.000%	50,600.00	645,600.00	645,600.00	696,200.00
12/01/2031			38,700.00	38,700.00	38,700.00	
06/01/2032	620,000	4.000%	38,700.00	658,700.00	658,700.00	697,400.00
12/01/2032			26,300.00	26,300.00	26,300.00	
06/01/2033	645,000	4.000%	26,300.00	671,300.00	671,300.00	697,600.00
12/01/2033			13,400.00	13,400.00	13,400.00	
06/01/2034	670,000	4.000%	13,400.00	683,400.00	683,400.00	696,800.00
	9,155,000		4,238,085.83	13,393,085.83	13,393,085.83	13,393,085.83

Notes:

Based upon the Underwriter's reasonable expectations and EMMA trade data as of December 1, 2014.
Pro forma adjustments to the initial offering price made to the 2020-2028 and 2034 maturities.

PROOF OF ARBITRAGE YIELD

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Pro Forma Final Numbers Based Upon First Sale to Public

Date	Debt Service	PV Factor	Present Value to 12/04/2014 @ 2.6950127843%
06/01/2015	174,885.83	0.986924242	172,599.07
12/01/2015	177,850.00	0.973802196	173,190.72
06/01/2016	517,850.00	0.960854618	497,578.56
12/01/2016	172,750.00	0.948079190	163,780.68
06/01/2017	522,750.00	0.935473624	489,018.84
12/01/2017	167,500.00	0.923035659	154,608.47
06/01/2018	527,500.00	0.910763068	480,427.52
12/01/2018	162,100.00	0.898653653	145,671.76
06/01/2019	532,100.00	0.886705243	471,815.86
12/01/2019	154,700.00	0.874915698	135,349.46
06/01/2020	539,700.00	0.863282906	465,913.78
12/01/2020	147,000.00	0.851804782	125,215.30
06/01/2021	547,000.00	0.840479270	459,742.16
12/01/2021	139,000.00	0.829304341	115,273.30
06/01/2022	554,000.00	0.818277993	453,326.01
12/01/2022	130,700.00	0.807398250	105,526.95
06/01/2023	565,700.00	0.796663163	450,672.35
12/01/2023	122,000.00	0.786070808	95,900.64
06/01/2024	6,222,000.00	0.775619289	4,825,903.22
	12,077,085.83		9,981,514.65

Proceeds Summary

Delivery date	12/04/2014
Par Value	9,155,000.00
Premium (Discount)	826,514.65
Target for yield calculation	9,981,514.65

PROOF OF ARBITRAGE YIELD

Town of Normal, Illinois
 General Obligation Bonds, Series 2014
 Pro Forma Final Numbers Based Upon First Sale to Public

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 12/04/2014 @ 2.6950127843%
SERIAL	06/01/2025	4.000%	2.500%	06/01/2024	100.000	-8,172.14
SERIAL	06/01/2026	4.000%	2.650%	06/01/2024	100.000	-1,948.99
TERM_28	06/01/2027	4.000%	2.900%	06/01/2024	100.000	9,160.86
TERM_28	06/01/2028	4.000%	2.900%	06/01/2024	100.000	9,520.11
TERM_30	06/01/2029	4.000%	3.100%	06/01/2024	100.000	19,328.36
TERM_30	06/01/2030	4.000%	3.100%	06/01/2024	100.000	20,031.21
TERM_32	06/01/2031	4.000%	3.200%	06/01/2024	100.000	25,955.37
TERM_32	06/01/2032	4.000%	3.200%	06/01/2024	100.000	27,045.93
TERM_34	06/01/2033	4.000%	3.200%	06/01/2024	100.000	28,136.50
TERM_34	06/01/2034	4.000%	3.200%	06/01/2024	100.000	29,227.06

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 12/04/2014 @ 2.6950127843%	Increase to NPV
SERIAL	06/01/2025	4.000%	2.500%			-3,509.38	4,662.76
SERIAL	06/01/2026	4.000%	2.650%			7,644.95	9,593.94
TERM_28	06/01/2027	4.000%	2.900%			23,942.21	14,781.35
TERM_28	06/01/2028	4.000%	2.900%			29,733.36	20,213.25
TERM_30	06/01/2029	4.000%	3.100%			45,206.71	25,878.35
TERM_30	06/01/2030	4.000%	3.100%			51,796.99	31,765.78
TERM_32	06/01/2031	4.000%	3.200%			64,141.35	38,185.98
TERM_32	06/01/2032	4.000%	3.200%			71,936.17	44,890.24
TERM_34	06/01/2033	4.000%	3.200%			80,002.12	51,865.62
TERM_34	06/01/2034	4.000%	3.200%			88,326.75	59,099.69

Notes:

Based upon the Underwriter's reasonable expectations and EMMA trade data as of December 1, 2014.
 Pro forma adjustments to the initial offering price made to the 2020-2028 and 2034 maturities.

FORM 8038 STATISTICS

Town of Normal, Illinois
General Obligation Bonds, Series 2014
Pro Forma Final Numbers Based Upon First Sale to Public

Dated Date 12/04/2014
Delivery Date 12/04/2014

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	06/01/2016	340,000.00	3.000%	103.558	352,097.20	340,000.00
	06/01/2017	350,000.00	3.000%	105.416	368,956.00	350,000.00
	06/01/2018	360,000.00	3.000%	106.668	384,004.80	360,000.00
	06/01/2019	370,000.00	4.000%	111.511	412,590.70	370,000.00
	06/01/2020	385,000.00	4.000%	112.737	434,037.45	385,000.00
	06/01/2021	400,000.00	4.000%	112.768	451,072.00	400,000.00
	06/01/2022	415,000.00	4.000%	113.107	469,394.05	415,000.00
	06/01/2023	435,000.00	4.000%	113.045	491,745.75	435,000.00
	06/01/2024	450,000.00	4.000%	113.781	512,014.50	450,000.00
	06/01/2025	470,000.00	4.000%	112.604	529,238.80	470,000.00
	06/01/2026	490,000.00	4.000%	111.263	545,188.70	490,000.00
2028 Term Bond:						
	06/01/2027	510,000.00	4.000%	109.069	556,251.90	510,000.00
	06/01/2028	530,000.00	4.000%	109.069	578,065.70	530,000.00
2030 Term Bond:						
	06/01/2029	550,000.00	4.000%	107.351	590,430.50	550,000.00
	06/01/2030	570,000.00	4.000%	107.351	611,900.70	570,000.00
2032 Term Bond:						
	06/01/2031	595,000.00	4.000%	106.503	633,692.85	595,000.00
	06/01/2032	620,000.00	4.000%	106.503	660,318.60	620,000.00
2034 Term Bond:						
	06/01/2033	645,000.00	4.000%	106.503	686,944.35	645,000.00
	06/01/2034	670,000.00	4.000%	106.503	713,570.10	670,000.00
		9,155,000.00			9,981,514.65	9,155,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/01/2034	4.000%	713,570.10	670,000.00		
Entire Issue			9,981,514.65	9,155,000.00	11.5930	2.6950%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	115,379.25
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

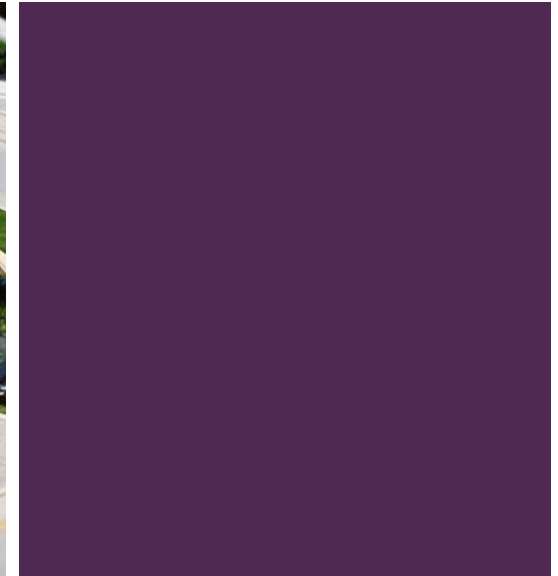
Notes:

Based upon the Underwriter's reasonable expectations and EMMA trade data as of December 1, 2014.
Pro forma adjustments to the initial offering price made to the 2020-2028 and 2034 maturities.



Town of Normal, Illinois

Financing One Uptown Circle and Fire Station Projects



September 26, 2014

Todd Krzyskowski
Managing Director
Phone: 312.595.7842
tkrzyskowski@mesirofinancial.com

Daniel Barlow
Associate
Phone: 312.595.6203
dbarlow@mesirofinancial.com



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Executive Summary – Increasing Revenue and Managing Tax Rate

Market Conditions Still Favorable

- Federal Reserve QE will wind down at the end of October 2014
- Yield curve Steep with Long Term Interest Rates Still Very Low
- Bank Qualified Borrowing (\$10 Million Annually) Still Providing Value - especially for longer maturities

Normal Has New Money Projects Anticipated in 2014 and 2015

- One Uptown Circle - \$5.1 million
- Fire Stations and Other Infrastructure - \$10-15 Million (Discuss)

Refunding Opportunities

- 2006 Bonds (6/1/2016 Call Date) and 2008 Bonds (6/1/2018 Call Date) Beginning to Show Reasonable Savings
 - Consider Mixing Refunding in with New Money if Value can be Enhanced

Fine-Tune Debt Structure in the Context of Overall Budgetary Needs

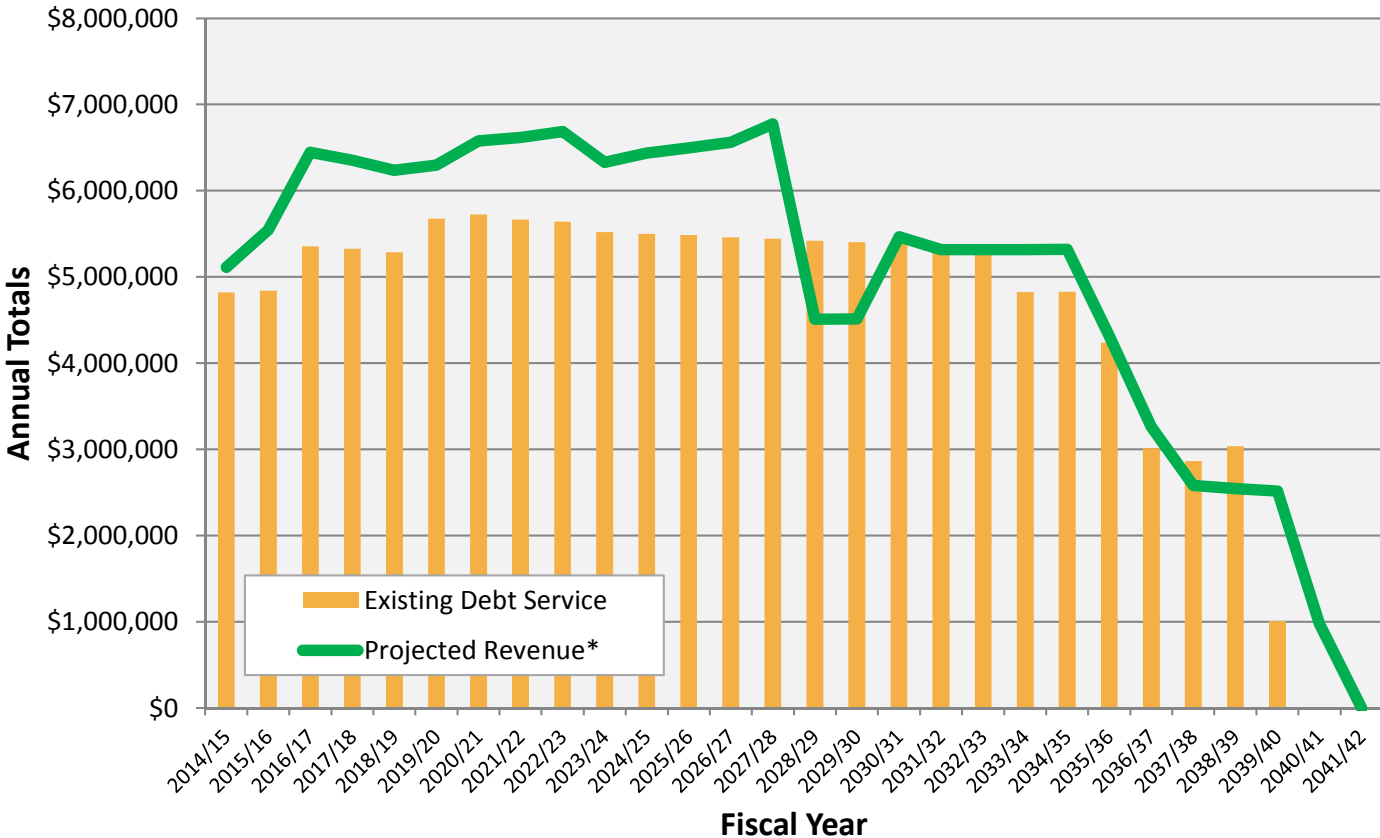
- Match Debt Service with Available Revenues and Average Life of Projects Financed
- Strive for Longer Term Downward Sloping Debt Structure to Increase Budgetary Flexibility and Strengthen Credit Rating

Debt Profile and the Proposed Series 2014 Bonds

- One Uptown Circle Project
- Fire Station Remodeling Project

Profile of Projected Revenues and Existing Debt Service

- The Town’s debt service structure is downward sloping, and closely matches projected revenue streams.
- The Town should consider structuring future debt to maintain the downward sloping debt profile to ensure the Town has capacity to adequately fund future capital needs as they arise.



*Projected revenues provided by Town officials on September 12, 2014. Represents net revenues available to pay debt service.

Detail of Normal's Outstanding Principal Indebtedness

- The table below shows the outstanding **principal** amounts on each of the Town's bonds.
- Many of the Town's outstanding bonds have optional redemption features (indicated by green highlights) that provide budgetary flexibility and refunding opportunities.

Outstanding General Obligation Debt											Total	Total
Levy Year	Period Ending	Series 2013 Dtd 11/13/13	Series 2012 Dtd 10/15/12	Series 2010A Dtd 12/16/10	Series 2009 Dtd 07/30/09	Series 2009A Dtd 07/30/09	Series 2008 Dtd 08/14/08	Series 2007 Dtd 03/07/07	Series 2006 Dtd 04/05/06	Series 2005 Dtd 06/15/05	Outstanding Principal	Callable Principal
2013	03/31/15	-	-	-	530,000	-	-	415,000	200,000	175,000	1,320,000	-
2014	03/31/16	390,000	-	-	645,000	-	-	415,000	250,000	170,000	1,870,000	-
2015	03/31/17	445,000	-	-	665,000	-	-	265,000	250,000	-	1,625,000	-
2016	03/31/18	385,000	-	-	685,000	-	500,000	265,000	250,000	-	2,085,000	250,000
2017	03/31/19	240,000	-	-	800,000	-	500,000	275,000	250,000	-	2,065,000	525,000
2018	03/31/20	410,000	100,000	-	850,000	-	500,000	275,000	300,000	-	2,435,000	1,075,000
2019	03/31/21	470,000	395,000	-	875,000	-	500,000	275,000	300,000	-	2,815,000	1,075,000
2020	03/31/22	435,000	470,000	-	900,000	-	500,000	275,000	300,000	-	2,880,000	1,075,000
2021	03/31/23	510,000	465,000	-	1,000,000	-	500,000	270,000	300,000	-	3,045,000	2,070,000
2022	03/31/24	735,000	460,000	-	1,000,000	-	500,000	290,000	300,000	-	3,285,000	3,285,000
2023	03/31/25	770,000	1,215,000	-	-	-	500,000	310,000	300,000	-	3,095,000	3,095,000
2024	03/31/26	795,000	1,235,000	-	-	-	500,000	340,000	300,000	-	3,170,000	3,170,000
2025	03/31/27	825,000	1,270,000	-	-	-	500,000	380,000	300,000	-	3,275,000	3,275,000
2026	03/31/28	865,000	1,300,000	-	-	-	500,000	360,000	350,000	-	3,375,000	3,375,000
2027	03/31/29	895,000	1,330,000	-	-	-	500,000	395,000	350,000	-	3,470,000	3,470,000
2028	03/31/30	935,000	1,370,000	-	-	-	500,000	435,000	350,000	-	3,590,000	3,590,000
2029	03/31/31	-	-	-	-	-	500,000	1,885,000	350,000	-	2,735,000	2,735,000
2030	03/31/32	-	-	-	-	-	500,000	2,415,000	880,000	-	3,795,000	3,795,000
2031	03/31/33	-	-	-	-	-	500,000	2,525,000	915,000	-	3,940,000	3,940,000
2032	03/31/34	-	-	-	-	-	500,000	2,645,000	960,000	-	4,105,000	4,105,000
2033	03/31/35	-	-	-	-	-	-	2,775,000	1,000,000	-	3,775,000	3,775,000
2034	03/31/36	-	-	-	-	-	-	2,910,000	1,045,000	-	3,955,000	3,955,000
2035	03/31/37	-	-	-	-	500,000	-	3,050,000	-	-	3,550,000	3,050,000
2036	03/31/38	-	-	-	-	2,500,000	-	-	-	-	2,500,000	-
2037	03/31/39	-	-	-	-	1,000,000	1,500,000	-	-	-	2,500,000	1,500,000
2038	03/31/40	-	-	905,000	-	1,900,000	-	-	-	-	2,805,000	905,000
2039	03/31/41	-	-	950,000	-	-	-	-	-	-	950,000	950,000
Total		9,105,000	9,610,000	1,855,000	7,950,000	5,900,000	10,000,000	23,445,000	9,800,000	345,000	78,010,000	58,040,000
Purpose	Refunding	Refunding	New Money	Refunding	New Money	New Money	New Money	New Money	New Money	New Money		
Tax Status	Bank Qualified	Bank Qualified	Taxable	Bank Qualified	Taxable	Tax-Exempt	Tax-Exempt	Bank Qualified	Bank Qualified	Bank Qualified		
Unique Features	---	---	RZEDB	---	BAB	---	---	---	---	---		
Call Date	6/1/2023	6/1/2022	6/1/2020	6/1/2019	Non-Callable	6/1/2018	6/1/2017	6/1/2016	Non-Callable	Yes*		
Adv. Refundable?	No**	No**	Yes	Yes	Yes*	Yes	Yes	Yes	Yes*			

Review the refund-ability of debt with approaching optional call dates

*Bonds are non pre-payable and if refunded, must be escrowed to their original maturity date.
 **Bonds can only be refunded on a taxable basis.



Debt Structuring Considerations for the Series 2014 Bonds

- The proposed 2014 Bonds should be structured to match debt service with projected revenues, and the average life of the capital assets.
- While demand is greatest for Bank Qualified bonds maturing in 20 years or less, current low long-term rates suggest there may be value in locking in rates beyond 20 years.
- Balance the preference to lock in low long-term rates with the objective of maintaining the Town's downward sloping debt service profile (see page 4). In general, relatively quicker amortization of principal will allow the Town greater flexibility as it finances other capital needs in the future.
- If the Town wants to issue long-term debt, consider the use of variable rate bonds with long nominal maturities to finance a portion of the Town's capital needs in future years.
- **See the following pages for structuring scenarios:**
 - Scenario 1: Level debt service amortized over 20 years
 - Scenario 2: Level debt service amortized over 15 years

Scenario 1 – Level Debt Service Over 20 Years

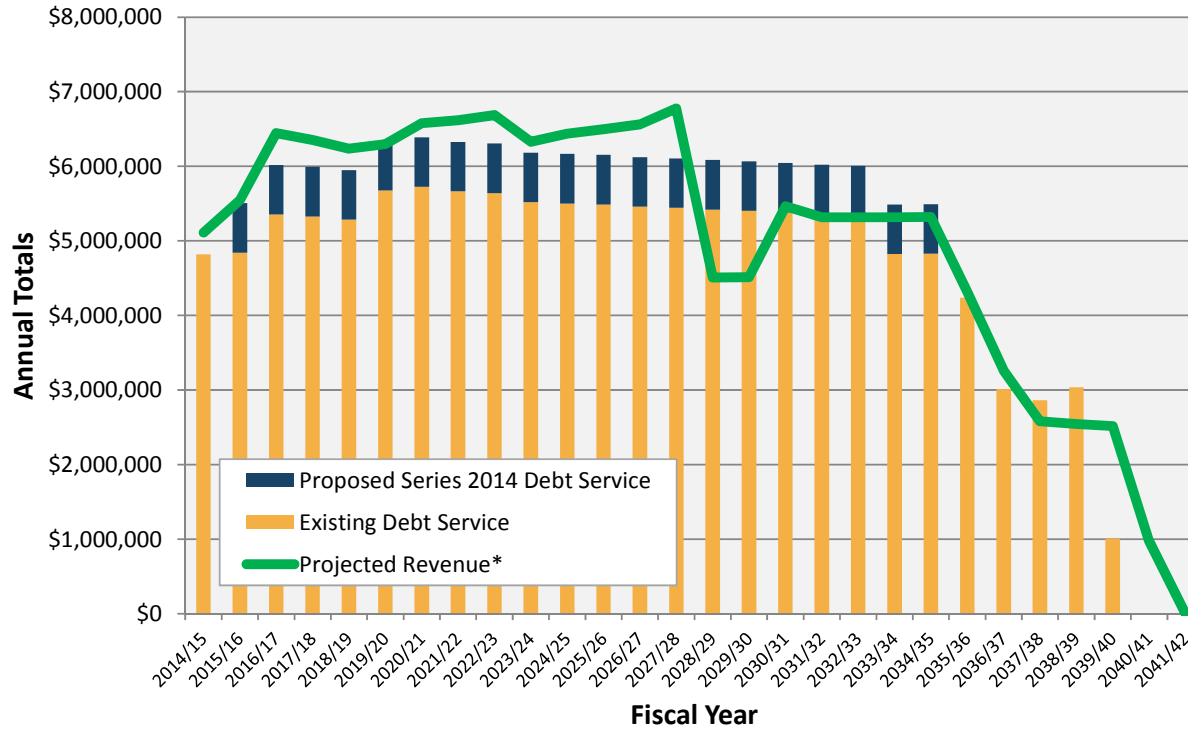
- Estimated debt service assumes:
 - Issuance costs at 1.5% of par
 - Interest capitalized through 6/1/2015
 - Estimated Bank Qualified tax-exempt interest rates as of 9/23/2014

						Existing and Proposed Debt Service			
Levy Year	Year Revenue Earned	Projected Revenues*	Revenues Available to Pay Debt Service From			Existing Debt Service	Estimated Series 2014 Debt Service	Total Debt Service	Projected Coverage Ratio
2013	2014/15	5,110,851	12/1/2014	to	6/1/2015	4,820,660	-	4,820,660	1.06 x
2014	2015/16	5,544,070	12/1/2015	to	6/1/2016	4,842,498	666,400	5,508,898	1.01 x
2015	2016/17	6,445,378	12/1/2016	to	6/1/2017	5,355,785	663,750	6,019,535	1.07 x
2016	2017/18	6,353,239	12/1/2017	to	6/1/2018	5,326,498	665,950	5,992,448	1.06 x
2017	2018/19	6,235,673	12/1/2018	to	6/1/2019	5,285,435	663,000	5,948,435	1.05 x
2018	2019/20	6,295,271	12/1/2019	to	6/1/2020	5,675,198	664,900	6,340,098	0.99 x
2019	2020/21	6,576,666	12/1/2020	to	6/1/2021	5,725,885	661,650	6,387,535	1.03 x
2020	2021/22	6,619,079	12/1/2021	to	6/1/2022	5,663,298	662,188	6,325,485	1.05 x
2021	2022/23	6,686,166	12/1/2022	to	6/1/2023	5,639,548	666,375	6,305,923	1.06 x
2022	2023/24	6,328,129	12/1/2023	to	6/1/2024	5,518,523	664,125	6,182,648	1.02 x
2023	2024/25	6,437,927	12/1/2024	to	6/1/2025	5,500,323	665,400	6,165,723	1.04 x
2024	2025/26	6,498,471	12/1/2025	to	6/1/2026	5,487,748	666,225	6,153,973	1.06 x
2025	2026/27	6,560,899	12/1/2026	to	6/1/2027	5,460,998	661,675	6,122,673	1.07 x
2026	2027/28	6,776,105	12/1/2027	to	6/1/2028	5,444,541	661,750	6,106,291	1.11 x
2027	2028/29	4,510,507	12/1/2028	to	6/1/2029	5,421,341	664,988	6,086,329	0.74 x
2028	2029/30	4,514,355	12/1/2029	to	6/1/2030	5,402,904	661,350	6,064,254	0.74 x
2029	2030/31	5,465,960	12/1/2030	to	6/1/2031	5,384,160	662,100	6,046,260	0.90 x
2030	2031/32	5,315,963	12/1/2031	to	6/1/2032	5,358,645	662,150	6,020,795	0.88 x
2031	2032/33	5,315,725	12/1/2032	to	6/1/2033	5,345,760	661,500	6,007,260	0.88 x
2032	2033/34	5,315,802	12/1/2033	to	6/1/2034	4,823,883	663,500	5,487,383	0.97 x
2033	2034/35	5,319,565	12/1/2034	to	6/1/2035	4,828,070	663,000	5,491,070	0.97 x
2034	2035/36	4,319,561	12/1/2035	to	6/1/2036	4,238,865	-	4,238,865	1.02 x
2035	2036/37	3,261,400	12/1/2036	to	6/1/2037	3,013,990	-	3,013,990	1.08 x
2036	2037/38	2,583,150	12/1/2037	to	6/1/2038	2,863,990	-	2,863,990	0.90 x
2037	2038/39	2,546,400	12/1/2038	to	6/1/2039	3,035,865	-	3,035,865	0.84 x
2038	2039/40	2,515,950	12/1/2039	to	6/1/2040	1,009,850	-	1,009,850	2.49 x
2039	2040/41	979,925	12/1/2040	to	6/1/2041	-	-	-	
2040	2041/42	-	12/1/2041	to	6/1/2042	-	-	-	
		140,432,186				126,474,256	13,271,975	139,746,231	

*Projected revenues provided by Town officials on September 12, 2014. Represents net revenues available to pay debt service.

Scenario 1 – Level Debt Service Over 20 Years (Cont'd)

Proposed Uses of Funds	
One Uptown Project Fund	\$5,100,000
Fire Station Renewal Fund	4,550,000
Capitalized Interest (to 6/1/15)	154,000
Issuance Costs (est. at 1.5% of par)	146,000



*Projected revenues provided by Town officials on September 12, 2014. Represents net revenues available to pay debt service.

Scenario 2 – Level Debt Service Over 15 Years

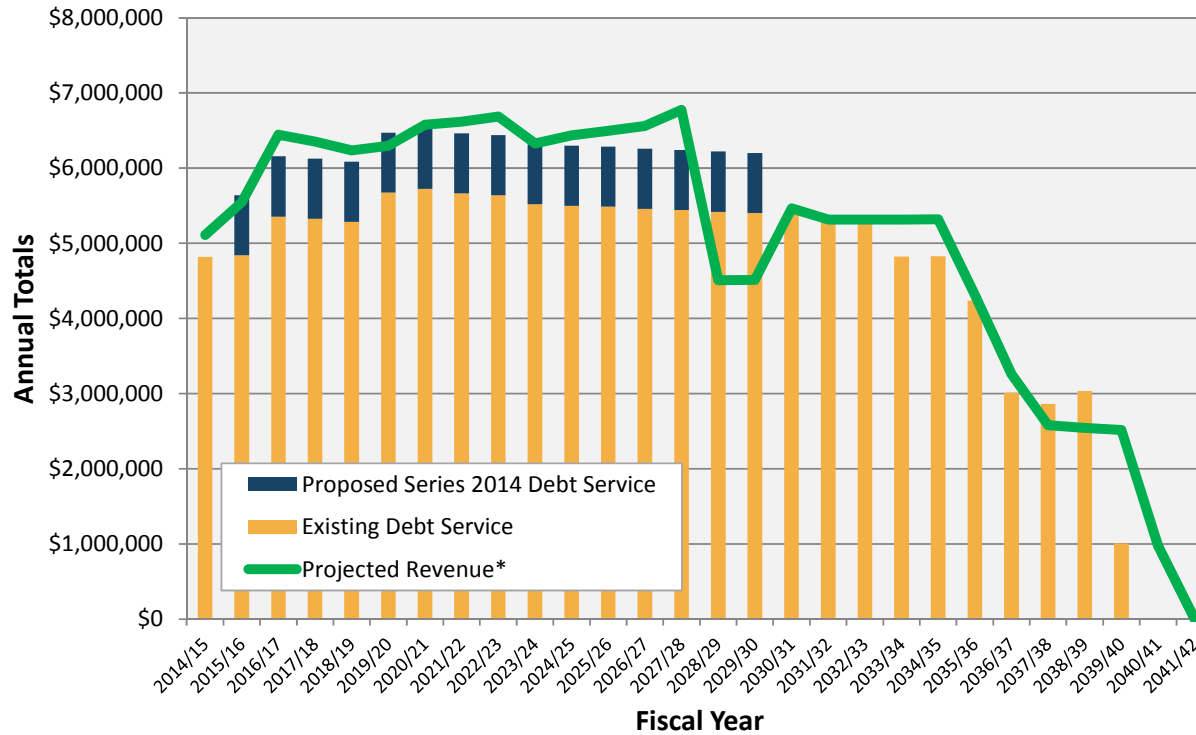
- Estimated debt service assumes:
 - Issuance costs at 1.5% of par
 - Interest capitalized through 6/1/2015
 - Estimated Bank Qualified tax-exempt interest rates as of 9/23/2014

					Existing and Proposed Debt Service			
Levy Year	Year Revenue Earned	Projected Revenues*	Revenues Available to Pay Debt Service From		Existing Debt Service	Estimated Series 2014 Debt Service	Total Debt Service	Projected Coverage Ratio
2013	2014/15	5,110,851	12/1/2014	to 6/1/2015	4,820,660	-	4,820,660	1.06 x
2014	2015/16	5,544,070	12/1/2015	to 6/1/2016	4,842,498	797,650	5,640,148	0.98 x
2015	2016/17	6,445,378	12/1/2016	to 6/1/2017	5,355,785	801,600	6,157,385	1.05 x
2016	2017/18	6,353,239	12/1/2017	to 6/1/2018	5,326,498	800,300	6,126,798	1.04 x
2017	2018/19	6,235,673	12/1/2018	to 6/1/2019	5,285,435	798,800	6,084,235	1.02 x
2018	2019/20	6,295,271	12/1/2019	to 6/1/2020	5,675,198	797,100	6,472,298	0.97 x
2019	2020/21	6,576,666	12/1/2020	to 6/1/2021	5,725,885	800,150	6,526,035	1.01 x
2020	2021/22	6,619,079	12/1/2021	to 6/1/2022	5,663,298	801,350	6,464,648	1.02 x
2021	2022/23	6,686,166	12/1/2022	to 6/1/2023	5,639,548	800,663	6,440,210	1.04 x
2022	2023/24	6,328,129	12/1/2023	to 6/1/2024	5,518,523	797,975	6,316,498	1.00 x
2023	2024/25	6,437,927	12/1/2024	to 6/1/2025	5,500,323	798,175	6,298,498	1.02 x
2024	2025/26	6,498,471	12/1/2025	to 6/1/2026	5,487,748	797,775	6,285,523	1.03 x
2025	2026/27	6,560,899	12/1/2026	to 6/1/2027	5,460,998	796,775	6,257,773	1.05 x
2026	2027/28	6,776,105	12/1/2027	to 6/1/2028	5,444,541	800,100	6,244,641	1.09 x
2027	2028/29	4,510,507	12/1/2028	to 6/1/2029	5,421,341	800,775	6,222,116	0.72 x
2028	2029/30	4,514,355	12/1/2029	to 6/1/2030	5,402,904	798,738	6,201,641	0.73 x
2029	2030/31	5,465,960	12/1/2030	to 6/1/2031	5,384,160	-	5,384,160	1.02 x
2030	2031/32	5,315,963	12/1/2031	to 6/1/2032	5,358,645	-	5,358,645	0.99 x
2031	2032/33	5,315,725	12/1/2032	to 6/1/2033	5,345,760	-	5,345,760	0.99 x
2032	2033/34	5,315,802	12/1/2033	to 6/1/2034	4,823,883	-	4,823,883	1.10 x
2033	2034/35	5,319,565	12/1/2034	to 6/1/2035	4,828,070	-	4,828,070	1.10 x
2034	2035/36	4,319,561	12/1/2035	to 6/1/2036	4,238,865	-	4,238,865	1.02 x
2035	2036/37	3,261,400	12/1/2036	to 6/1/2037	3,013,990	-	3,013,990	1.08 x
2036	2037/38	2,583,150	12/1/2037	to 6/1/2038	2,863,990	-	2,863,990	0.90 x
2037	2038/39	2,546,400	12/1/2038	to 6/1/2039	3,035,865	-	3,035,865	0.84 x
2038	2039/40	2,515,950	12/1/2039	to 6/1/2040	1,009,850	-	1,009,850	2.49 x
2039	2040/41	979,925	12/1/2040	to 6/1/2041	-	-	-	
2040	2041/42	-	12/1/2041	to 6/1/2042	-	-	-	
		140,432,186			126,474,256	11,987,925	138,462,181	

*Projected revenues provided by Town officials on September 12, 2014. Represents net revenues available to pay debt service.

Scenario 2 – Level Debt Service Over 15 Years (Cont'd)

Proposed Uses of Funds	
One Uptown Project Fund	\$5,100,000
Fire Station Renewal Fund	4,550,000
Capitalized Interest (to 6/1/15)	137,000
Issuance Costs (est. at 1.5% of par)	146,000



*Projected revenues provided by Town officials on September 12, 2014. Represents net revenues available to pay debt service.

The Town Will Likely Be Able to Fund the One Uptown Circle Project, But May Need to Extend the Financing Beyond a 20-Year Final Maturity

- The following chart is from a **June 2013** One Uptown Financing Pro-Forma
 - Interest Rates have declined modestly since then meaning more proceeds can be generated from the same revenue stream – Discuss revenue projection update and timing

Period Ending	Projected Revenue* 6/27/2013	Funding Scenario 1 Use Available Revenues - 25 Years			Funding Scenario 2 Use Available Revenues - 20 Years			Funding Scenario 3 Fully Fund Project Needs - 20 Years		
		Net Estimated Debt Service**	Unused Revenues	PV at Current Rates	Net Estimated Debt Service**	Unused Revenues	PV at Current Rates	Net Estimated Debt Service**	Unused Revenues	PV at Current Rates
6/1/2015	144,500		144,500					144,500		0
6/1/2016	354,000	493,500	(139,500)	456,349	493,650	(139,650)	462,718	422,700	(68,700)	396,057
6/1/2017	476,170	467,950	8,220	419,386	476,450	(280)	435,185	543,500	(67,330)	496,156
6/1/2018	491,850	493,000	(1,150)	428,220	489,550	2,300	435,724	560,550	(68,700)	498,564
6/1/2019	508,001	502,150	5,851	422,725	512,050	(4,049)	444,106	576,850	(68,849)	499,875
6/1/2020	524,636	519,800	4,836	424,100	522,250	2,386	441,380	595,825	(71,189)	503,049
6/1/2021	541,770	541,575	195	428,245	541,750	20	446,164	608,750	(66,980)	500,746
6/1/2022	559,418	552,300	7,118	423,266	560,200	(782)	449,572	625,800	(66,382)	501,541
6/1/2023	577,595	575,900	1,695	427,750	575,800	1,795	450,281	644,800	(67,205)	503,486
6/1/2024	596,318	593,100	3,218	426,949	600,200	(3,882)	457,370	667,400	(71,082)	507,738
6/1/2025	615,603	614,100	1,503	428,445	613,000	2,603	455,189	683,400	(67,797)	506,550
6/1/2026	635,466	628,700	6,766	425,108	634,600	866	459,190	703,000	(67,534)	507,678
6/1/2027	655,925	657,100	(1,175)	430,624	654,600	1,325	461,558	726,000	(70,075)	510,814
6/1/2028	412,045	408,700	3,345	259,582	413,000	(955)	283,768	482,200	(70,155)	330,558
6/1/2029	424,406	419,500	4,906	258,227	425,200	(794)	284,684	492,200	(67,794)	328,740
6/1/2030	437,138	434,500	2,638	259,218	436,400	738	284,720	506,200	(69,062)	329,400
6/1/2031	450,253	448,500	1,753	259,327	451,600	(1,347)	287,109	519,000	(68,747)	329,046
6/1/2032	463,760	456,500	7,260	255,818	465,600	(1,840)	288,444	530,600	(66,840)	327,757
6/1/2033	477,673	478,700	(1,027)	259,992	478,400	(727)	288,801	546,000	(68,327)	328,599
6/1/2034	492,003	484,500	7,503	255,031						
6/1/2035	506,763	505,750	1,013	258,013						
6/1/2036	521,966	520,000	1,966	257,104						
6/1/2037	537,625	532,500	5,125	255,169						
6/1/2038	553,754	488,250	65,504	226,758						
Total	11,958,637	11,816,575	142,062	7,945,406	9,344,300	2,226	7,115,964	10,434,775	(1,088,249)	7,906,353
		Estimated Capitalized Interest		(463,000)	Estimated Capitalized Interest		(380,500)	Estimated Capitalized Interest		(424,000)
		Estimated Costs of Issuance		(129,500)	Estimated Costs of Issuance		(116,500)	Estimated Costs of Issuance		(129,000)
		Available Project Funds		7,352,906	Available Project Funds		6,618,964	Available Project Funds		7,353,353

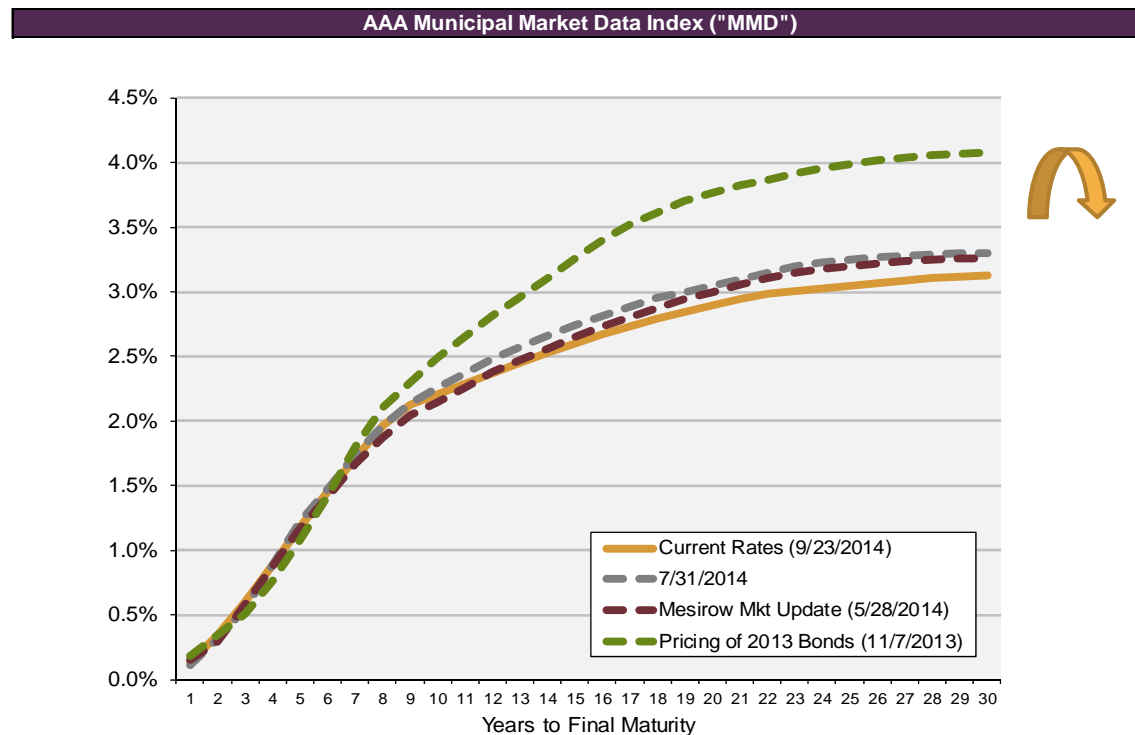
* Revenue projections provided by Town officials.

** Net of capitalized interest through 6/1/2015.

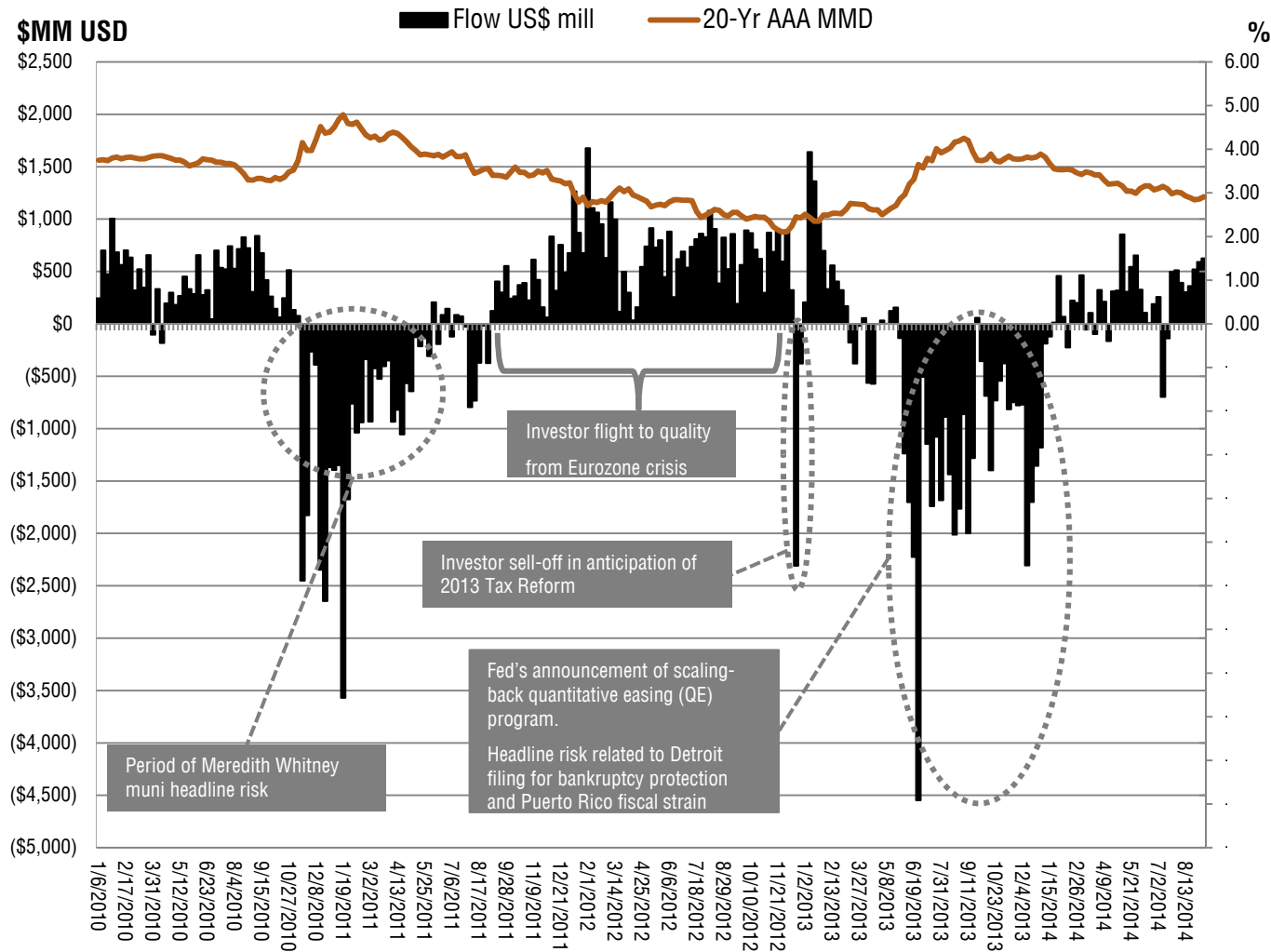
Bond Market Update and Refunding Summary

After Experiencing Volatility in 2013 Due to the Threat of QE Tapering, Long Term Tax-Exempt Borrowing Rates Have Trended Downward in 2014 and Are Currently Low Relative to When the Town Issued the Series 2013 Bonds

- Limited Supply:** The municipal market has seen a much lower volume of bonds being brought to the primary market relative to past years. Issuance in 2014 Q1 was 26% lower than issuance in 2013 Q1.
- Improved Municipal Finances:** Many municipalities are exercising fiscal discipline and improving their finances, which cause investors to pay up for municipal debt in the form of lower interest rates.
- Flight to Quality:** Global events such as economic growth concerns in Europe and the emerging markets as well as recent weaker-than-expected economic data have investors engaging in “flight to quality.” These events primarily affect the US Treasury market, but also influence the municipal bond market causing lower overall interest rates.



Municipal Bond Fund Flows and 20-Year MMD



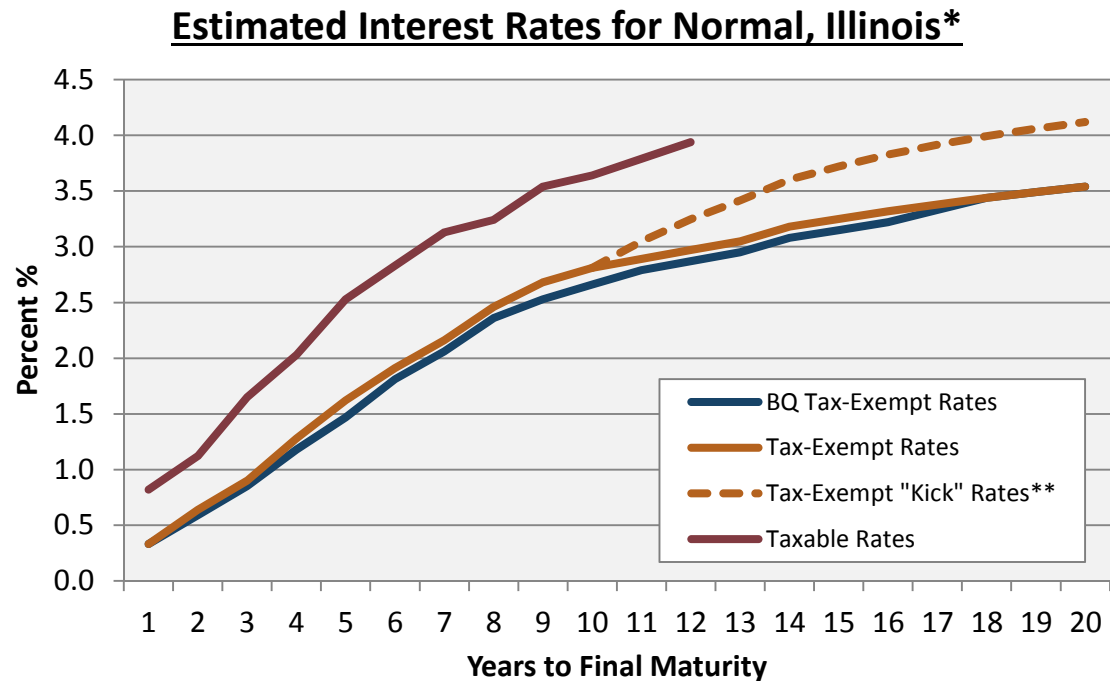
Muni Fund Reporting Date	Fund Flow (\$MM USD)	20-Yr AAA MMD
5/21/2014	\$543.94	3.04%
5/28/2014	\$653.29	2.99%
6/04/2014	\$326.36	3.10%
6/11/2014	\$107.35	3.16%
6/18/2014	\$6.9	3.16%
6/25/2014	\$188.76	3.07%
7/2/2014	\$256.90	3.10%
7/9/2014	-\$697.88	3.15%
7/16/2014	-\$139.73	3.09%
7/23/2014	\$498.08	2.98%
7/31/2014	\$511.74	3.02%
8/6/2014	\$392.02	3.00%
8/13/2014	\$302.45	2.93%
8/20/2014	\$360.56	2.89%
8/27/2014	\$520.38	2.84%
9/3/2014	\$590.78	2.86%
9/10/2014	\$625.99	2.91%

As of the weekly reporting date of 9/10/2014

Data Source: EPFR Global Fund Flows and Allocations Data – All Muni Funds (Retail and Institutional Funds).

Interest Rates as of September 23rd for the Town of Normal

- Careful planning of any project or re-financing timeline around the annual \$10 million Bank Qualified (“BQ”) borrowing limit will reduce the Town’s “all-in” cost of capital.
- Below are estimated **BQ tax-exempt**, **non-BQ tax-exempt**, and **taxable** borrowing rates for the Town of Normal based on assumed **Aa1 / AA / AAA** bond ratings from Moody’s, S&P, and Fitch.
- Note: S&P revised is GO rating methodology which resulted in a one-notch downgrade of the Town’s bond rating from AA+ to AA in March 2014.



*Yields estimated based on market conditions as of 9/23/2014

**Yield-to-maturity based on 5% premium couponing.

There Are Several Refunding Opportunities to Consider That May Allow the Town of Normal to Lock In Interest-Cost Savings

- Preliminary analysis indicates that the Town's Series 2006 and 2008 may be potential refunding candidates, but negative arbitrage to the call date should be considered.
- Refunding analysis assumes a uniform savings structure throughout the term of each loan. However, the Town has flexibility in how it structures each refunding to increase budget flexibility, adjust tax levy rates, or plan for future new money projects.
- Potential refunding opportunities should be considered within the context of the Town's other capital plans. Remember, a current refunding (within 90 days of the call date) of Bank Qualified bonds will generally not count against the Town's \$10 million Bank Qualified bonding capacity for the current calendar year.
- Mesirow Financial will continue to monitor potential savings as market conditions change, and the period of time to each call date shortens.

Summary of Refunding Opportunities and Estimated Savings*

Series	Escrow Type+	Assumed Refunding Date	Call Date	Par Refunded	Cumulative Savings \$	In-Place Refunding - Uniform Savings			Interest Rate Sensitivity^	
						Pres Value Savings \$	Pres Value Savings %**	Negative Arbitrage		
2006	GO Bonds (Uptown Renewal)	US Treas	Q4 2014	6/1/2016	9,100,000	425,451	307,541	3.38%	397,598	73,000 / 10 bps
2006	GO Bonds (Uptown Renewal)	IL GOs	Q4 2014	6/1/2016	9,100,000	541,668	391,747	4.30%	315,105	71,000 / 10 bps
2008	GO Bonds (Uptown Renewal)	US Treas	Q4 2014	6/1/2018	9,000,000	324,065	222,190	2.47%	601,058	75,000 / 10 bps
2008	GO Bonds (Uptown Renewal)	IL GOs	Q4 2014	6/1/2018	9,000,000	734,496	524,048	5.82%	305,722	72,500 / 10 bps
2007	GO Bonds (Uptown Renewal)	US Treas	Q4 2014	6/1/2017	22,085,000	-----DOES NOT PRODUCE SAVINGS AT THIS TIME-----				
2007	GO Bonds (Uptown Renewal)	IL GOs	Q4 2014	6/1/2017	22,085,000	-----DOES NOT PRODUCE SAVINGS AT THIS TIME-----				

+The success of any refunding using Illinois general obligation bonds as escrow investments is contingent upon availability of desired securities in the secondary market.

*Numbers are preliminary, based on market conditions as of September 23, 2014. Actual results may vary and are not guaranteed.

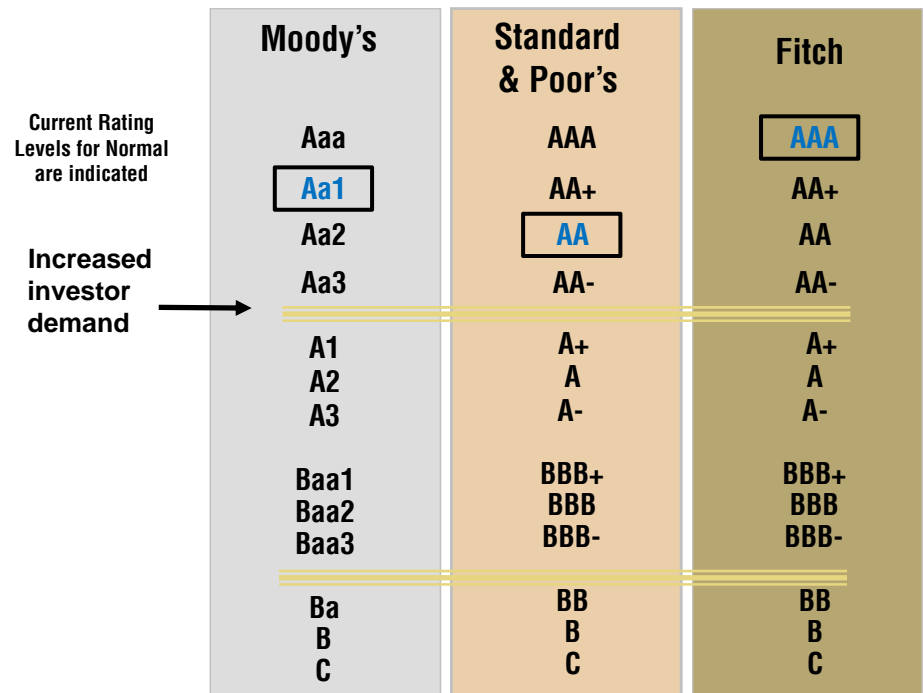
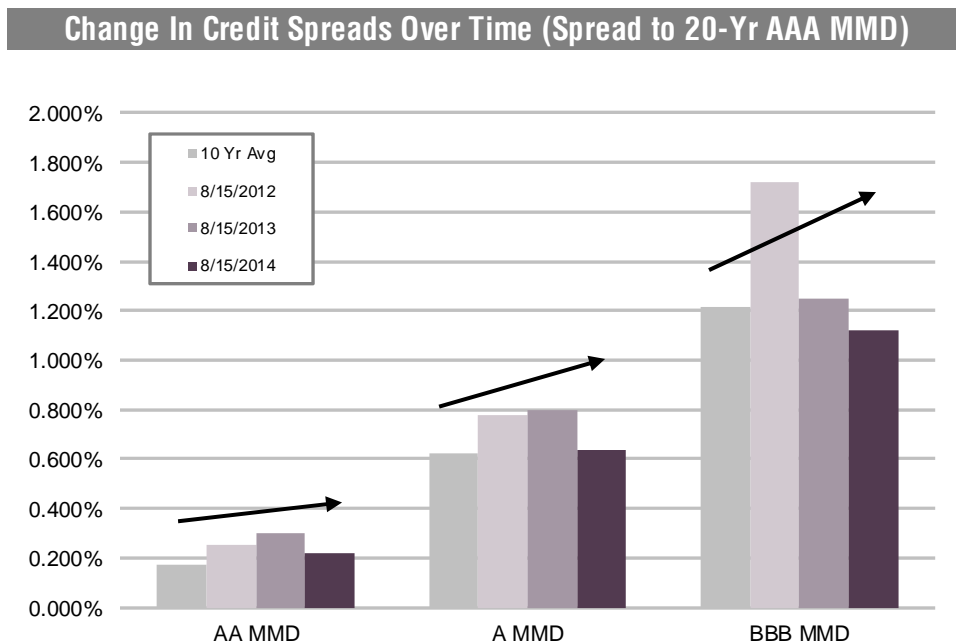
**Present value savings shown as a percentage of refunded par.

^Approximate sensitivity of present value savings to each 10 basis point change in interest rates.

Note: Analysis assumes bond ratings of Aa1/AA/AAA, and costs of issuance at 1.75% of par.

CREDIT RATINGS MATTER: Investors Are Particularly Sensitive to Credit Ratings in the Current Credit Environment. Maintaining the Town's High Credit Ratings Will Be Advantageous

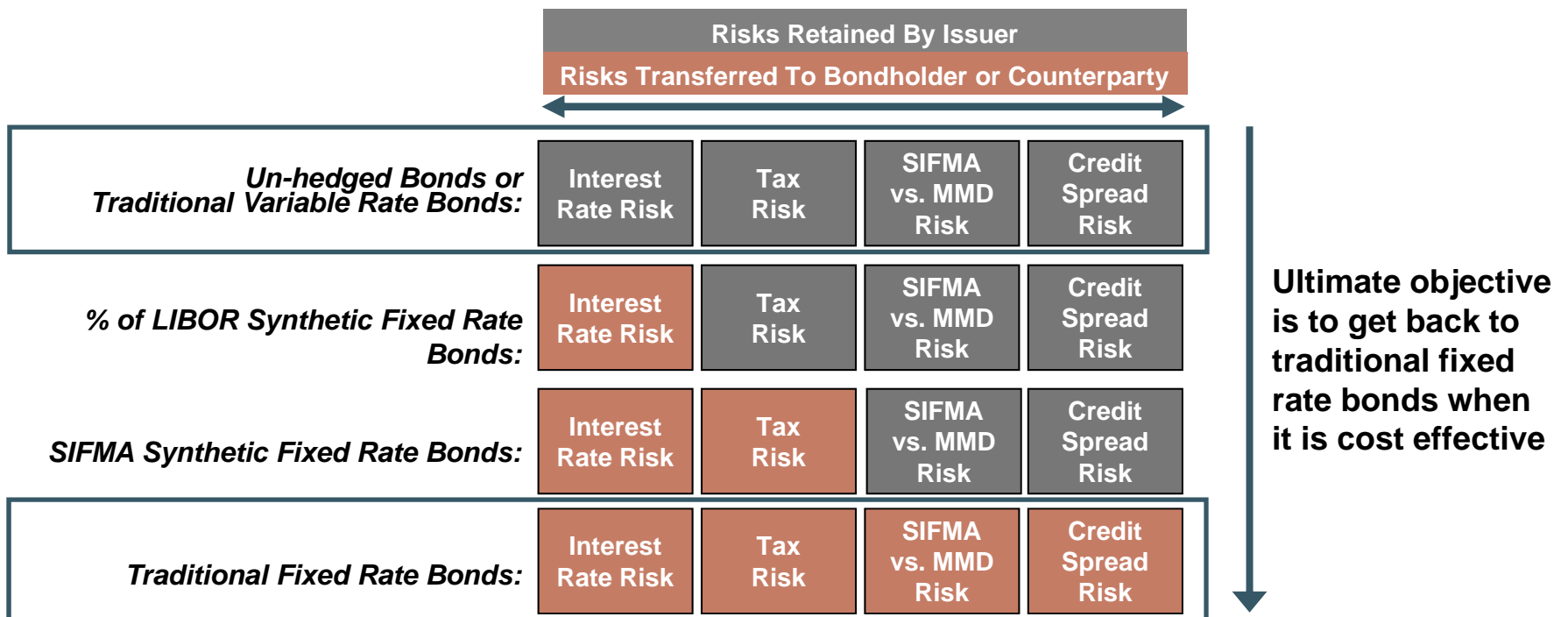
- Issuers with strong independent credit ratings enter the market from a position of strength. With all of the much discussed credit market dislocation, investors have truly been rewarding those issuers that have “kept their house in order”.
- A strong credit rating will continue to provide the Town with ongoing ready access to the debt capital markets for any refunding or new money financings that is being considered.
- Credit ratings directly impact financing costs. An issuer's borrowing rates (generally expressed as a “spread” off the “AAA” index) are largely determined by an issuer's credit rating, although other factors are involved. Investor demand is significantly greater for “AA” rated debt as opposed to single “A” rated debt.



The Benefits and Drawbacks of Variable Rate Debt Should be Continuously Evaluated in All Interest Rate Environments

- Adjustable versus Fixed Rate Bond Considerations

- With short-term rates still at historic lows, the Town may want to consider assuming interest rate risk, but that should always be considered in the context of its overall debt portfolio
- As illustrated below, there is beauty and simplicity to fixed rate bonds – especially when they are done in the right interest rate market with the right maturity range and those obligations provide the issuer with maximum future certainty.
- Also note that issuers like the Town of Normal can benefit from the annual \$10 Million BANK QUALIFIED tax-exempt debt capacity that affords even lower interest rates.





Investment Management Global Markets Insurance Services Consulting

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**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
March 31, 2015**

	<u>Special Revenue</u>		
	<u>Motor Fuel Tax</u>	<u>Community Development</u>	<u>Fed Equity Sharing</u>
ASSETS			
Cash and cash equivalents	\$ 4,947,495	\$ 2,035	\$ 15,195
Investments at fair value	-	-	-
Receivables:			
Property taxes	-	-	-
Other	-	22,775	-
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 4,947,495</u>	<u>\$ 24,810</u>	<u>\$ 15,195</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 60,078	\$ 22,774	\$ -
Due to other funds	-	-	-
Total liabilities	<u>60,078</u>	<u>22,774</u>	<u>-</u>
Deferred inflows:			
Subsequent year property taxes	-	-	-
Total liabilities and deferred inflows	<u>60,078</u>	<u>22,774</u>	<u>-</u>
Fund balances:			
Restricted for:			
Debt service	-	-	-
TIF redevelopment	-	-	-
Law enforcement	-	-	15,195
Highways and streets	4,887,417	-	-
Community development	-	2,036	-
Committed to:			
Recreation	-	-	-
Assigned to:			
Encumbrances	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total fund balances	<u>4,887,417</u>	<u>2,036</u>	<u>15,195</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 4,947,495</u>	<u>\$ 24,810</u>	<u>\$ 15,195</u>

Capital Projects

<u>Park Land Dedication</u>	<u>Capital Investment</u>	<u>Uptown TIF</u>	<u>Main and Osage TIF</u>	<u>One Normal Plaza</u>
\$ 208,208	\$ 1,932,913	\$ 44	\$ 68,103	\$ 47,353
-	7,324	-	-	-
-	-	1,497,696	298,374	-
-	42,734	-	-	-
-	58,987	-	-	-
<u>\$ 208,208</u>	<u>\$ 2,041,958</u>	<u>\$ 1,497,740</u>	<u>\$ 366,477</u>	<u>\$ 47,353</u>
\$ 12,601	\$ 191,446	\$ -	\$ -	\$ -
58,987	-	-	-	-
<u>71,588</u>	<u>191,446</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	1,497,696	298,374	-
<u>71,588</u>	<u>191,446</u>	<u>1,497,696</u>	<u>298,374</u>	<u>-</u>
-	-	-	-	-
-	-	44	68,103	47,353
-	-	-	-	-
-	-	-	-	-
136,620	-	-	-	-
-	11,802	-	-	-
-	-	-	-	-
-	1,838,710	-	-	-
<u>136,620</u>	<u>1,850,512</u>	<u>44</u>	<u>68,103</u>	<u>47,353</u>
<u>\$ 208,208</u>	<u>\$ 2,041,958</u>	<u>\$ 1,497,740</u>	<u>\$ 366,477</u>	<u>\$ 47,353</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
March 31, 2015**

	Debt Service			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	<u>Bond Fund</u>	<u>Bond Fund</u>	<u>Bond Fund</u>	<u>Bond Fund</u>
ASSETS				
Cash and cash equivalents	\$ 143,116	\$ 654,264	\$ 1,243,481	\$ 463,359
Investments at fair value	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other	-	-	-	-
Due from other funds	-	-	-	-
	-	-	-	-
TOTAL ASSETS	<u>\$ 143,116</u>	<u>\$ 654,264</u>	<u>\$ 1,243,481</u>	<u>\$ 463,359</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows:				
Subsequent year property taxes	-	-	-	-
Total liabilities and deferred inflows	-	-	-	-
Fund balances:				
Restricted for:				
Debt service	143,112	653,620	1,243,264	462,875
TIF redevelopment	-	-	-	-
Law enforcement	-	-	-	-
Highways and streets	-	-	-	-
Community development	-	-	-	-
Committed to:				
Recreation	-	-	-	-
Assigned to:				
Encumbrances	-	-	-	-
Debt service	4	644	217	484
Capital projects	-	-	-	-
Total fund balances	<u>143,116</u>	<u>654,264</u>	<u>1,243,481</u>	<u>463,359</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 143,116</u>	<u>\$ 654,264</u>	<u>\$ 1,243,481</u>	<u>\$ 463,359</u>

Debt Service

<u>2009A</u> <u>Bond Fund</u>	<u>2009</u> <u>Bond Fund</u>	<u>2010A</u> <u>Bond Fund</u>	<u>2012</u> <u>Refunding</u> <u>Bond Fund</u>	<u>SSA</u> <u>College Hills</u> <u>Bond Fund</u>	<u>2013</u> <u>Refunding</u> <u>Bond Fund</u>	<u>2014</u> <u>Bond Fund</u>	<u>Total</u>
\$ 230,727	\$ 964,884	\$ 64,988	\$ 238,832	\$ 1,054,292	\$ 488,532	352,996	\$ 13,120,817
-	-	-	-	-	-	-	7,324
-	-	-	-	497,944	-	-	2,294,014
-	-	-	-	-	-	-	65,509
-	-	-	-	-	-	-	58,987
<u>\$ 230,727</u>	<u>\$ 964,884</u>	<u>\$ 64,988</u>	<u>\$ 238,832</u>	<u>\$ 1,552,236</u>	<u>\$ 488,532</u>	<u>\$ 352,996</u>	<u>\$ 15,546,651</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,899
-	-	-	-	-	-	-	58,987
-	-	-	-	-	-	-	345,886
-	-	-	-	497,944	-	-	2,294,014
-	-	-	-	497,944	-	-	2,639,900
230,727	964,625	64,988	238,225	-	487,917	352,735	4,842,088
-	-	-	-	-	-	-	115,500
-	-	-	-	-	-	-	15,195
-	-	-	-	-	-	-	4,887,417
-	-	-	-	-	-	-	2,036
-	-	-	-	-	-	-	136,620
-	-	-	-	-	-	-	11,802
-	259	-	607	1,054,292	615	261	1,057,383
-	-	-	-	-	-	-	1,838,710
<u>230,727</u>	<u>964,884</u>	<u>64,988</u>	<u>238,832</u>	<u>1,054,292</u>	<u>488,532</u>	<u>352,996</u>	<u>12,906,751</u>
<u>\$ 230,727</u>	<u>\$ 964,884</u>	<u>\$ 64,988</u>	<u>\$ 238,832</u>	<u>\$ 1,552,236</u>	<u>\$ 488,532</u>	<u>\$ 352,996</u>	<u>\$ 15,546,651</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Year Ended March 31, 2015

	Motor Fuel Tax	Community Development
REVENUES		
Taxes	\$ -	\$ -
Intergovernmental	1,787,560	499,914
Charges for services	-	-
Investment income (loss)	7,110	-
Miscellaneous	<u>182,876</u>	<u>8,938</u>
Total revenues	<u>1,977,546</u>	<u>508,852</u>
 EXPENDITURES		
Current:		
General government	-	-
Highway and streets	1,898,105	-
Culture and recreation	-	-
Community development	-	508,852
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
Total expenditures	<u>1,898,105</u>	<u>508,852</u>
Revenue over (under) expenditures	<u>79,441</u>	<u>-</u>
 OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(79,144)	-
Issuance of bonds, at par	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(79,144)</u>	<u>-</u>
Net change in fund balance	297	-
 FUND BALANCES - BEGINNING	<u>4,887,120</u>	<u>2,036</u>
 FUND BALANCES - ENDING	<u>\$ 4,887,417</u>	<u>\$ 2,036</u>

<u>Special Revenue</u>		<u>Capital Projects</u>			
<u>Fed Equity Sharing</u>	<u>Park Land Dedication</u>	<u>Capital Investment</u>	<u>Uptown TIF</u>	<u>Main and Osage TIF</u>	<u>One Normal Plaza</u>
\$ -	\$ -	\$ -	\$ 1,435,919	\$ 199,656	\$ 13,413
-	-	167,734	-	-	-
-	21,877	-	-	-	-
15	245	(4,048)	656	138	-
-	-	36,306	-	-	-
<u>15</u>	<u>22,122</u>	<u>199,992</u>	<u>1,436,575</u>	<u>199,794</u>	<u>13,413</u>
-	-	-	99,273	181,606	7,109
-	-	85,000	-	-	-
-	146,664	691,508	-	-	-
-	-	2,304,608	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>146,664</u>	<u>3,081,116</u>	<u>99,273</u>	<u>181,606</u>	<u>7,109</u>
<u>15</u>	<u>(124,542)</u>	<u>(2,881,124)</u>	<u>1,337,302</u>	<u>18,188</u>	<u>6,304</u>
-	-	2,230,000	-	-	-
-	-	-	(1,337,258)	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,230,000</u>	<u>(1,337,258)</u>	<u>-</u>	<u>-</u>
15	(124,542)	(651,124)	44	18,188	6,304
<u>15,180</u>	<u>261,162</u>	<u>2,501,636</u>	<u>-</u>	<u>49,915</u>	<u>41,049</u>
<u>\$ 15,195</u>	<u>\$ 136,620</u>	<u>\$ 1,850,512</u>	<u>\$ 44</u>	<u>\$ 68,103</u>	<u>\$ 47,353</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Year Ended March 31, 2015

	2005	2006
	<u>Bond Fund</u>	<u>Bond Fund</u>
REVENUES		
Taxes	\$ -	\$ -
Intergovernmental	-	-
Charges for services	-	-
Investment income	272	198
Miscellaneous	-	-
Total revenues	272	198
EXPENDITURES		
Current:		
General government	-	750
Highway and streets	-	-
Culture and recreation	-	-
Community development	-	-
Debt service:		
Principal	114,201	200,000
Interest and fiscal charges	7,901	412,620
Bond issuance costs	-	-
Total expenditures	122,102	613,370
Revenue over (under) expenditures	(121,830)	(613,172)
OTHER FINANCING SOURCES (USES)		
Transfers in	142,796	654,027
Transfers out	-	-
Issuance of bonds, at par	-	-
Total other financing sources (uses)	142,796	654,027
Net change in fund balance	20,966	40,855
FUND BALANCES - BEGINNING	122,150	613,409
FUND BALANCES - ENDING	\$ 143,116	\$ 654,264

Debt Service

2007	2008	2009A	2009	2010A
<u>Bond Fund</u>	<u>Bond Fund</u>	<u>Bond Fund</u>	<u>Bond Fund</u>	<u>Bond Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
888	193	94	210	26
-	-	114,917	-	48,777
<u>888</u>	<u>193</u>	<u>115,011</u>	<u>210</u>	<u>48,803</u>
750	750	750	750	750
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
351,095	-	-	530,000	-
908,844	462,875	354,000	341,800	116,865
-	-	-	-	-
<u>1,260,689</u>	<u>463,625</u>	<u>354,750</u>	<u>872,550</u>	<u>117,615</u>
<u>(1,259,801)</u>	<u>(463,432)</u>	<u>(239,739)</u>	<u>(872,340)</u>	<u>(68,812)</u>
1,243,834	463,702	239,894	965,030	68,854
-	-	-	-	-
-	-	-	-	-
<u>1,243,834</u>	<u>463,702</u>	<u>239,894</u>	<u>965,030</u>	<u>68,854</u>
(15,967)	270	155	92,690	42
<u>1,259,448</u>	<u>463,089</u>	<u>230,572</u>	<u>872,194</u>	<u>64,946</u>
<u>\$ 1,243,481</u>	<u>\$ 463,359</u>	<u>\$ 230,727</u>	<u>\$ 964,884</u>	<u>\$ 64,988</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Year Ended March 31, 2015

	Debt Service				Total
	2012 Refunding Bond Fund	SSA College Hills Bond Fund	2013 Refunding Bond Fund	2014 Bond Fund	
REVENUES					
Taxes	\$ -	\$ 477,133	\$ -	\$ -	\$ 2,126,121
Intergovernmental	-	-	-	-	2,455,208
Charges for services	-	-	-	-	21,877
Investment income	100	1,617	106	13	7,833
Miscellaneous	-	-	-	-	391,814
Total revenues	<u>100</u>	<u>478,750</u>	<u>106</u>	<u>13</u>	<u>5,002,853</u>
EXPENDITURES					
Current:					
General government	750	10,000	750	-	303,988
Highway and streets	-	-	-	-	1,983,105
Culture and recreation	-	-	-	-	838,172
Community development	-	-	-	-	2,813,460
Debt service:					
Principal	-	365,000	-	-	1,560,296
Interest and fiscal charges	238,225	375,228	244,602	-	3,462,960
Bond issuance costs	-	-	-	115,379	115,379
Total expenditures	<u>238,975</u>	<u>750,228</u>	<u>245,352</u>	<u>115,379</u>	<u>11,077,360</u>
Revenue over (under) expenditures	<u>(238,875)</u>	<u>(271,478)</u>	<u>(245,246)</u>	<u>(115,366)</u>	<u>(6,074,507)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	238,710	246,539	489,181	352,983	7,335,550
Transfers out	-	-	-	-	(1,416,402)
Issuance of bonds, at par	-	-	-	115,379	115,379
Total other financing sources (uses)	<u>238,710</u>	<u>246,539</u>	<u>489,181</u>	<u>468,362</u>	<u>6,034,527</u>
Net change in fund balance	(165)	(24,939)	243,935	352,996	(39,980)
FUND BALANCES - BEGINNING	<u>238,997</u>	<u>1,079,231</u>	<u>244,597</u>	<u>-</u>	<u>12,946,731</u>
FUND BALANCES - ENDING	<u>\$ 238,832</u>	<u>\$ 1,054,292</u>	<u>\$ 488,532</u>	<u>\$ 352,996</u>	<u>\$ 12,906,751</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2015

	Special Revenue					
	Motor Fuel Tax		Community Development		Fed Equity Sharing	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,500,000	1,787,560	409,101	499,914	90,000	-
Charges for services	-	-	-	-	-	-
Investment income	9,200	7,110	-	-	10	15
Miscellaneous	180,000	182,876	6,838	8,938	-	-
Total revenues	<u>1,689,200</u>	<u>1,977,546</u>	<u>415,939</u>	<u>508,852</u>	<u>90,010</u>	<u>15</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Highway and streets	1,843,111	1,898,105	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	659,205	508,852	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>1,843,111</u>	<u>1,898,105</u>	<u>659,205</u>	<u>508,852</u>	<u>10,000</u>	<u>-</u>
Revenue over (under) expenditures	<u>(153,911)</u>	<u>79,441</u>	<u>(243,266)</u>	<u>-</u>	<u>80,010</u>	<u>15</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(79,143)	(79,144)	-	-	-	-
Issuance of bonds, at par	-	-	-	-	-	-
Total other financing sources (uses)	<u>(79,143)</u>	<u>(79,144)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (233,054)</u>	<u>297</u>	<u>\$ (243,266)</u>	<u>-</u>	<u>\$ 80,010</u>	<u>15</u>
FUND BALANCES - BEGINNING		<u>4,887,120</u>		<u>2,036</u>		<u>15,180</u>
FUND BALANCES - ENDING		<u>\$ 4,887,417</u>		<u>\$ 2,036</u>		<u>\$ 15,195</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2015

	Special Revenue	
	Park Land Dedication	
	Final Budget	Actual
REVENUES		
Taxes	\$ -	\$ -
Intergovernmental	-	-
Charges for services	46,800	21,877
Investment income (loss)	240	245
Miscellaneous	-	-
Total revenues	47,040	22,122
 EXPENDITURES		
Current:		
General government	-	-
Highway and streets	-	-
Culture and recreation	146,726	146,664
Community development	-	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
Total expenditures	146,726	146,664
Revenue over (under) expenditures	(99,686)	(124,542)
 OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Issuance of bonds, at par	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	\$ (99,686)	(124,542)
 FUND BALANCES - BEGINNING		261,162
 FUND BALANCES - ENDING		\$ 136,620

Capital Projects

Capital Investment		Uptown TIF		Main and Osage TIF	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ 1,435,919	\$ 1,435,919	\$ 199,657	\$ 199,656
598,000	167,734	-	-	-	-
-	-	-	-	-	-
21,100	(4,048)	350	656	100	138
36,306	36,306	-	-	-	-
<u>655,406</u>	<u>199,992</u>	<u>1,436,269</u>	<u>1,436,575</u>	<u>199,757</u>	<u>199,794</u>
-	-	99,277	99,273	249,672	181,606
87,014	85,000	-	-	-	-
667,463	691,508	-	-	-	-
2,532,058	2,304,608	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,286,535</u>	<u>3,081,116</u>	<u>99,277</u>	<u>99,273</u>	<u>249,672</u>	<u>181,606</u>
<u>(2,631,129)</u>	<u>(2,881,124)</u>	<u>1,336,992</u>	<u>1,337,302</u>	<u>(49,915)</u>	<u>18,188</u>
2,230,000	2,230,000	-	-	-	-
-	-	(1,336,992)	(1,337,258)	-	-
-	-	-	-	-	-
<u>2,230,000</u>	<u>2,230,000</u>	<u>(1,336,992)</u>	<u>(1,337,258)</u>	<u>-</u>	<u>-</u>
\$ (401,129)	(651,124)	\$ -	44	\$ (49,915)	18,188
	<u>2,501,636</u>		<u>-</u>		<u>49,915</u>
	<u>\$ 1,850,512</u>		<u>\$ 44</u>		<u>\$ 68,103</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2015

	Capital Projects	
	One Normal Plaza	
	Final Budget	Actual
REVENUES		
Taxes	\$ 13,413	\$ 13,413
Intergovernmental	-	-
Charges for services	-	-
Investment income	3	-
Miscellaneous	-	-
Total revenues	13,416	13,413
EXPENDITURES		
Current:		
General government	54,465	7,109
Highway and streets	-	-
Culture and recreation	-	-
Community development	-	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
Total expenditures	54,465	7,109
Revenue over (under) expenditures	(41,049)	6,304
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Issuance of bonds, at par	-	-
Total other financing sources (uses)	-	-
Net change in fund balance	\$ (41,049)	6,304
FUND BALANCES - BEGINNING		41,049
FUND BALANCES - ENDING		\$ 47,353

Debt Service

2005 Bond Fund		2006 Bond Fund	
Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
275	272	180	198
-	-	-	-
<u>275</u>	<u>272</u>	<u>180</u>	<u>198</u>
750	-	750	750
-	-	-	-
-	-	-	-
-	-	-	-
114,201	114,201	200,000	200,000
7,902	7,901	412,620	412,620
-	-	-	-
<u>122,853</u>	<u>122,102</u>	<u>613,370</u>	<u>613,370</u>
(122,578)	(121,830)	(613,190)	(613,172)
144,290	142,796	654,151	654,027
-	-	-	-
-	-	-	-
<u>144,290</u>	<u>142,796</u>	<u>654,151</u>	<u>654,027</u>
\$ 21,712	20,966	\$ 40,961	40,855
	<u>122,150</u>		<u>613,409</u>
	\$ <u>143,116</u>		\$ <u>654,264</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2015

	2007 Bond Fund		2008 Bond Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	853	888	185	193
Miscellaneous	-	-	-	-
Total revenues	<u>853</u>	<u>888</u>	<u>185</u>	<u>193</u>
EXPENDITURES				
Current:				
General government	750	750	750	750
Highway and streets	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	351,096	351,095	-	-
Interest and fiscal charges	908,845	908,844	462,875	462,875
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,260,691</u>	<u>1,260,689</u>	<u>463,625</u>	<u>463,625</u>
Revenue over (under) expenditures	<u>(1,259,838)</u>	<u>(1,259,801)</u>	<u>(463,440)</u>	<u>(463,432)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,244,404	1,243,834	463,976	463,702
Transfers out	-	-	-	-
Issuance of bonds, at par	-	-	-	-
Total other financing sources (uses)	<u>1,244,404</u>	<u>1,243,834</u>	<u>463,976</u>	<u>463,702</u>
Net change in fund balance	<u>\$ (15,434)</u>	<u>(15,967)</u>	<u>\$ 536</u>	<u>270</u>
FUND BALANCES - BEGINNING		<u>1,259,448</u>		<u>463,089</u>
FUND BALANCES - ENDING		<u>\$ 1,243,481</u>		<u>\$ 463,359</u>

Debt Service

2009A Bond Fund		2009 Bond Fund		2010A Bond Fund		2012 Refunding Bond Fund	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
90	94	350	210	25	26	100	100
<u>114,918</u>	<u>114,917</u>	<u>-</u>	<u>-</u>	<u>48,776</u>	<u>48,777</u>	<u>-</u>	<u>-</u>
<u>115,008</u>	<u>115,011</u>	<u>350</u>	<u>210</u>	<u>48,801</u>	<u>48,803</u>	<u>100</u>	<u>100</u>
750	750	750	750	750	750	750	750
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	530,000	530,000	-	-	-	-
354,000	354,000	341,800	341,800	116,866	116,865	238,225	238,225
-	-	-	-	-	-	-	-
<u>354,750</u>	<u>354,750</u>	<u>872,550</u>	<u>872,550</u>	<u>117,616</u>	<u>117,615</u>	<u>238,975</u>	<u>238,975</u>
<u>(239,742)</u>	<u>(239,739)</u>	<u>(872,200)</u>	<u>(872,340)</u>	<u>(68,815)</u>	<u>(68,812)</u>	<u>(238,875)</u>	<u>(238,875)</u>
239,270	239,894	965,381	965,030	68,145	68,854	238,853	238,710
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>239,270</u>	<u>239,894</u>	<u>965,381</u>	<u>965,030</u>	<u>68,145</u>	<u>68,854</u>	<u>238,853</u>	<u>238,710</u>
<u>\$ (472)</u>	155	<u>\$ 93,181</u>	92,690	<u>\$ (670)</u>	42	<u>\$ (22)</u>	(165)
	<u>230,572</u>		<u>872,194</u>		<u>64,946</u>		<u>238,997</u>
	<u>\$ 230,727</u>		<u>\$ 964,884</u>		<u>\$ 64,988</u>		<u>\$ 238,832</u>

**TOWN OF NORMAL, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended March 31, 2015

	SSA-College Hills Bond Fund		Debt Service 2013 Refunding Bond Fund	
	Final Budget	Actual	Final Budget	Actual
	REVENUES			
Taxes	\$ 477,133	\$ 477,133	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	964	1,617	100	106
Miscellaneous	-	-	-	-
Total revenues	<u>478,097</u>	<u>478,750</u>	<u>100</u>	<u>106</u>
EXPENDITURES				
Current:				
General government	10,000	10,000	750	750
Highway and streets	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	365,000	365,000	-	-
Interest and fiscal charges	380,589	375,228	244,603	244,602
Bond issuance costs	-	-	-	-
Total expenditures	<u>755,589</u>	<u>750,228</u>	<u>245,353</u>	<u>245,352</u>
Revenue over (under) expenditures	<u>(277,492)</u>	<u>(271,478)</u>	<u>(245,253)</u>	<u>(245,246)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	246,539	246,539	489,323	489,181
Transfers out	-	-	-	-
Issuance of bonds, at par	-	-	-	-
Total other financing sources (uses)	<u>246,539</u>	<u>246,539</u>	<u>489,323</u>	<u>489,181</u>
Net change in fund balance	<u>\$ (30,953)</u>	<u>(24,939)</u>	<u>\$ 244,070</u>	<u>243,935</u>
FUND BALANCES - BEGINNING		<u>1,079,231</u>		<u>244,597</u>
FUND BALANCES - ENDING		<u>\$ 1,054,292</u>		<u>\$ 488,532</u>

<u>2014</u> <u>Bond Fund</u>		<u>Total</u> <u>Actual</u>
\$ -	\$ -	\$ 2,126,121
-	-	2,455,208
-	-	21,877
500	13	7,833
-	-	391,814
<u>500</u>	<u>13</u>	<u>5,002,853</u>
750	-	303,988
-	-	1,983,105
-	-	838,172
-	-	2,813,460
-	-	1,560,296
-	-	3,462,960
<u>115,380</u>	<u>115,379</u>	<u>115,379</u>
<u>116,130</u>	<u>115,379</u>	<u>11,077,360</u>
<u>(115,630)</u>	<u>(115,366)</u>	<u>(6,074,507)</u>
353,735	352,983	7,335,550
-	-	(1,416,402)
<u>115,380</u>	<u>115,379</u>	<u>115,379</u>
<u>469,115</u>	<u>468,362</u>	<u>6,034,527</u>
<u>\$ 353,485</u>	352,996	(39,980)
	<u>-</u>	<u>12,946,731</u>
	<u>\$ 352,996</u>	<u>\$ 12,906,751</u>



**Independent Auditors' Report
On Compliance With Illinois Municipal Code
Subsection (q) Section 11-74.4-3 of Public Act 85-1142**

To the Honorable Mayor and Members
of the City Council
Town of Normal, Illinois

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Normal, Illinois, as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements and have issued our report thereon dated August 21, 2015.

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Normal, Illinois failed to comply with Subsection (Q) of Section 11-74.4-3 of Public Act 85-1142, insofar as it relates 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 Town's noncompliance with the above-referenced Illinois Municipal Code, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the Mayor and City Council, and Management of Town of Normal and State of Illinois and is not intended to be and should not be used by anyone other than those specified parties.

CliftonLarsonAllen LLP

Champaign, Illinois
August 21, 2015