

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

FY 2017

| | |
|--|-----------------------|
| Name of Redevelopment Project Area (below): | Carlyle TIF #1 |
| Primary Use of Redevelopment Project Area*: | Mixed |

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

| | |
|---|-------------|
| If "Combination/Mixed" List Component Types: | Com/Res/Ind |
|---|-------------|

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):

Tax Increment Allocation Redevelopment Act x

Industrial Jobs Recovery Law _____

| | 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 |
| Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [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 the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement labeled Attachment I and Attachment J MUST be Yes | x | |
| An 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 attachment I is yes, Analysis MUST be attached and labeled Attachment J | x | |
| Has a cumulative of \$100,000 of TIF revenue been deposited 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, The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 labeled Attachment L | | x |
| A list of all intergovernmental agreements in effect 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, not actual agreements labeled Attachment M | x | |

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))

Provide an analysis of the special tax allocation fund.

FY 2017

TIF NAME:

Carlyle TIF #1

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 167,984

| SOURCE of Revenue/Cash Receipts: | Revenue/Cash Receipts for Current Reporting Year | Cumulative Totals of Revenue/Cash Receipts for life of TIF | % of Total |
|----------------------------------|--|--|------------|
| Property Tax Increment | \$ 337,617 | \$ 3,570,628 | 105% |
| State Sales Tax Increment | | | 0% |
| Local Sales Tax Increment | | | 0% |
| State Utility Tax Increment | | | 0% |
| Local Utility Tax Increment | | | 0% |
| Interest | \$ 601 | \$ 7,980 | 0% |
| Land/Building Sale Proceeds | | | 0% |
| Bond Proceeds | | | 0% |
| Transfers from Municipal Sources | | | 0% |
| Private Sources | | | 0% |
| Transfers Out | \$ (165,000) | \$ (165,000) | -5% |

All Amount Deposited in Special Tax Allocation by source

\$ 173,218

Cumulative Total Revenues/Cash Receipts

\$ 3,413,608 100%

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

\$ 248,134

Distribution of Surplus

Total Expenditures/Disbursements

\$ 248,134

Net/Income/Cash Receipts Over/(Under) Cash Disbursements

\$ (74,916)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 93,068

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

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

FY 2017

TIF NAME: Carlyle TIF #1

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

Check here if 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 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2017

TIF Name:

Carlyle TIF #1

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.**Select ONE of the following by indicating an 'X':**

| | |
|---|----|
| 1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area. | |
| 2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.) | x |
| 2a. The number of projects undertaken by the municipality within the Redevelopment Project Area: | 12 |

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

| TOTAL: | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
|--|------------------------|--|--|
| Private Investment Undertaken (See Instructions) | \$ 23,521,738 | \$ - | \$ - |
| Public Investment Undertaken | \$ 5,187,734 | \$ - | \$ - |
| Ratio of Private/Public Investment | 4 47/88 | | 0 |

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

| | | | |
|--|--------------|--|------|
| Project 1: Super 8 | | | |
| Private Investment Undertaken (See Instructions) | \$ 1,720,000 | | \$ - |
| Public Investment Undertaken | \$ 768,345 | | |
| Ratio of Private/Public Investment | 2 21/88 | | 0 |

| | | | |
|--|------------|--|---|
| Project 2: Huels Mgmt. Inc. (Fisherman's Cove) | | | |
| Private Investment Undertaken (See Instructions) | \$ 910,000 | | |
| Public Investment Undertaken | \$ 34,826 | | |
| Ratio of Private/Public Investment | 26 10/77 | | 0 |

| | | | |
|--|--------------|--|---|
| Project 3: Carlyle Resorts Inc. | | | |
| Private Investment Undertaken (See Instructions) | \$ 6,270,000 | | |
| Public Investment Undertaken | \$ 644,929 | | |
| Ratio of Private/Public Investment | 9 13/18 | | 0 |

| | | | |
|--|------------|--|---|
| Project 4: NAPA Auto Parts (McKays) | | | |
| Private Investment Undertaken (See Instructions) | \$ 400,000 | | |
| Public Investment Undertaken | \$ 227,603 | | |
| Ratio of Private/Public Investment | 1 25/33 | | 0 |

| | | | |
|--|------------|--|---|
| Project 5: Wilken Crescent Moon | | | |
| Private Investment Undertaken (See Instructions) | \$ 142,980 | | |
| Public Investment Undertaken | \$ 81,132 | | |
| Ratio of Private/Public Investment | 1 16/21 | | 0 |

| | | | |
|--|----|---------|---|
| Project 6: Wintermann Carlyle Auction Center | | | |
| Private Investment Undertaken (See Instructions) | \$ | 414,720 | |
| Public Investment Undertaken | \$ | 109,654 | |
| Ratio of Private/Public Investment | | 3 61/78 | 0 |

PAGE 2

| | | | |
|--|----|---------|---|
| Project 7: Bretz Lodge | | | |
| Private Investment Undertaken (See Instructions) | \$ | 740,000 | |
| Public Investment Undertaken | \$ | 189,222 | |
| Ratio of Private/Public Investment | | 3 51/56 | 0 |

| | | | |
|--|----|------------|---|
| Project 8: Wal-Mart Stores, Inc. | | | |
| Private Investment Undertaken (See Instructions) | \$ | 10,175,699 | |
| Public Investment Undertaken | \$ | 1,847,661 | |
| Ratio of Private/Public Investment | | 5 35/69 | 0 |

| | | | |
|--|----|---------|---|
| Project 9: Calrion Healing Center | | | |
| Private Investment Undertaken (See Instructions) | \$ | 104,000 | |
| Public Investment Undertaken | \$ | 137,701 | |
| Ratio of Private/Public Investment | | 71/94 | 0 |

| | | | |
|---|----|---------|---|
| Project 10: Carlyle Pain and Rehab Clinic | | | |
| Private Investment Undertaken (See Instructions) | \$ | 379,339 | |
| Public Investment Undertaken | \$ | 351,661 | |
| Ratio of Private/Public Investment | | 1 7/89 | 0 |

| | | | |
|--|----|--------|---|
| Project 11: Dorothy Lane Improvement Project | | | |
| Private Investment Undertaken (See Instructions) | \$ | 65,000 | |
| Public Investment Undertaken | \$ | 45,000 | |
| Ratio of Private/Public Investment | | 1 4/9 | 0 |

| | | | |
|--|----|-----------|---|
| Project 12: Tractor Supply Project | | | |
| Private Investment Undertaken (See Instructions) | \$ | 2,200,000 | |
| Public Investment Undertaken | \$ | 750,000 | |
| Ratio of Private/Public Investment | | 2 14/15 | 0 |

| | | | |
|--|--|--|--|
| Project 13: | | | |
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |



City of Carlyle



Mayor: Judy Smith
City Administrator: JoAnn Hollenkamp

City Attorney: Joe Heiligenstein
City Clerk: Janine Ehlers
Treasurer: Chad Holthaus

Aldermen:
Ward One:
Kent Newkirk
Brenda Johnson
Ward Two:
Scott Diekemper
Donald R. Perez

Ward Three:
Jeff Taylor
Jeremy Weh
Ward Four:
Jason Edwards
Eric Nordike

ATTACHMENT B

FY 2017 Tax Increment Financing Report

“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)]”

As the Chief Executive Officer of the City of Carlyle, Illinois, I do hereby certify that the municipality has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the municipal fiscal year 2017.

10-26-17
Date

Judy K. Smith
Sign

Judy Smith, Mayor
Print

ATTACHMENT C

BERNARD G. HEILIGENSTEIN
THOMAS A. HEILIGENSTEIN (1961-1994)
JOSEPH B. HEILIGENSTEIN

BERNARD G. HEILIGENSTEIN, LTD.
ATTORNEYS AT LAW
521 NINTH STREET
CARLYLE, ILLINOIS 62231

Phone (618) 594-2213
Fax: (618) 594-2216
heiligensteinlaw@sbcglobal.net

October 25, 2017

Leslie Geissler Munger, Comptroller
Local Government Division
100 West Randolph
Suite 15-500
Chicago, IL 60601

RE: 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)]

Carlyle Tax Increment Financing Reports:

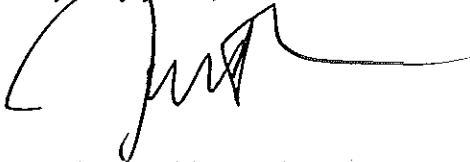
Carlyle TIF #1
Carlyle TIF #2
Carlyle TIF #3

Dear Comptroller:

As the attorney for the City of Carlyle, Illinois, I have reviewed all information provided to me by the City Administrator and staff for the period of May 1, 2016 through April 30, 2017 [FY 2017]. In my opinion, I find that the City of Carlyle has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder, to the best of my knowledge and belief.

This opinion relates only to the time period set forth and is based upon information available to me.

Very truly yours,



Joseph B. Heiligenstein

JBH/lkh

ATTACHMENT D

Statement setting forth all 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 under taken (65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)

The City continued to support existing redevelopment projects in accordance with their agreements as well as entered into a new agreement for the provision of TIF assistance for site preparation costs required for the construction of a new commercial agricultural equipment supplier which will be making significant investment within the TIF district and will help to grow the property tax and sales tax base for the City as well as create retail options for a previously unserved market. The City hope's that this support for a new business will continue to help the City prosper economically as well as spur additional investment within the TIF District in the future.

ATTACHMENT E

TRACTOR SUPPLE COMPANY 3PP CARLYLE, LLC REDEVELOPMENT AGREEMENT

This redevelopment agreement (hereinafter referred to as "Agreement") is made and entered into as of _____, 2016, by and between the City of Carlyle, Illinois, an Illinois municipal corporation, and 3PP Carlyle, LLC.

RECITALS

- A. On December 14, 1998, in accordance with the TIF Act, the City of Carlyle approved ordinances adopting tax increment financing and the Carlyle Tax Increment Financing Plan and Project, also known as the Carlyle TIF #1.
- B. The Developer has submitted a Redevelopment Proposal to the City for a project which could not or would not be undertaken without the use of tax increment financing incentives
- C. The City Council, after reviewing the Redevelopment Proposal submitted by the Developer, believes that the Redevelopment Area as set forth herein in the Redevelopment Proposal, and the performance generally of this Agreement, are in the best interests of the City, and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

AGREEMENT

In consideration of the above premises and the mutual obligations of the parties hereto, each party hereby agrees as follows:

1. Definitions As used in this Agreement, the following words and terms shall have the following meanings:

"Administration Fee(s)" a fee to be paid by the Developer to the City for the creation and administration of this Redevelopment Agreement and all matters related to the context of this Agreement. The Administration Fee will be (1) a one-time payment in the amount of \$5,000, payable prior to the issuance of the first reimbursement payment from the City to the Developer, as well as (2) an annual payment of **10%** of the Developer's Share approved by the City for reimbursement during each year, **not to exceed \$500.00**. Both the one-time fee and the annual fee may be deducted from the Developer's Share until a time at which the Administration Fees have been paid in full.

"Affiliate": Shall mean, with respect to any business entity, any other business entity directly or indirectly controlled (including at least 51% voting control) by or under direct or indirect common control with such business entity. A business entity shall be deemed to

control another business entity if such controlling business entity possess solely, directly or indirectly the power to direct, or cause the direction of, the management and policies of the second business entity whether through the ownership of voting securities, common directors, trustees, partnership interest or member interest.

“Agreement Term”: The period of time in which this agreement is in full force and effect. For this agreement, that period of time will begin upon the date of execution of this agreement, that date being _____, 2016, and continuing until the date of December 31, 2033.

“City”: The City of Carlyle, Clinton County, Illinois, a statutory City of Clinton County, and a political subdivision of the State of Illinois.

“City Council”: The City Council of the City of Carlyle, Illinois.

“Construction Plans”: Plans, drawings, specifications and related documents, and construction schedules for the construction of the Work (as shown on the attached Concept Plan or on the attached Development Plan, if necessary), together with all supplements, amendments or corrections, submitted by the Developer and approved by the City in accordance with this Agreement.

“Developer”: 3PP Carlyle, LLC

“Developer’s Portion of the Redevelopment Project”: The construction of a new Tractor Supply Company retail store on the agreed upon Property, including all site preparation, demolition, infrastructure and utility improvements, and other work required to support such a project; all to be used for activities in accordance with the Redevelopment Plan.

“Developer’s Share”: Means, the portion of the TIF Revenues generated by the Property and received by the City annually, which are to be reimbursed back to the Developer for certain Eligible Redevelopment Project Costs. **For the purposes of this agreement, the Developer’s Share will be 75%, with the total amount reimbursed during the Agreement Term not to exceed the Reimbursement Limit.** The first payment of the Developer’s Share will be calculated based on the TIF Revenues assessed to the Property during the first year of full assessment of the Property after substantial completion of the Work, with the final payment being issued based on TIF Revenues assessed during the calendar year ending on December 31, 2033 and collected in 2034 **(See Exhibit 1 – Example Payment Schedule)**. Monies are to be paid from the Special Allocation Fund 33, Carlyle Tax Increment Financing Project Area (TIF #1). The Developer is not eligible to receive the Developer’s Share until the Work has been verified to have been completed by the City. The Developer’s Share may be subject to the deduction of an Administration Fee.

“Eligible Redevelopment Projects Costs”: Any and all costs incurred pursuant to Section 11-74.4-3 of the TIF Act, and that qualify under Section 11-74.4-3 (q) as determined by the City, in the City’s sole discretion.

“Property”: That property to be used by Developer as more generally defined as being located on the vacant property at the southeast corner of William Road and Governors Drive next to the McDonald’s restaurant in the City of Carlyle, Illinois 62239 and described more fully in **Appendix A – Project Location**.

“Redevelopment Area”: A certain area of the City of Carlyle known as the “Carlyle Redevelopment Project Area”, also known as TIF #1.

“Redevelopment Plan”: A plan entitled “Carlyle Redevelopment Project Area Tax Increment Financing Redevelopment Plan” which was approved on December 14, 1998, and as from time to time amended.

“Redevelopment Project”: Those activities described as the Redevelopment Project in the Redevelopment Plan, Redevelopment Proposal, and this Agreement.

“Redevelopment Project Costs”: The sum total of all reasonable or necessary costs actually incurred and paid in performing the Work, and any such costs incidental to the Redevelopment Plan or Redevelopment Project, provided however, that Redevelopment Project Costs shall not include any internal costs of Developer and shall not include any amounts for overhead, margin, profit or the like in connection with goods or services supplied to Developer by any Affiliate of Developer, except to the extent that such items are commercially reasonable and competitive with similar charges in arms-length transactions.

“Redevelopment Proposal”: The description of the intended scope and scale of the project as described by the Developer in the submitted application for tax increment financing assistance, as well as any and all accompanying site plans, drawings, or other descriptions of the intended project.

“Reimbursement Limit”: The maximum amount of money the Developer may be reimbursed in accordance with this agreement; that amount not to exceed \$750,000.00, or a total of all Eligible Redevelopment Project Costs, whichever is less.

“Special Allocation Fund”: The Special Allocation Fund 33, Carlyle Tax Increment Financing Project Area. (TIF #1)

“TIF Act”: The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 et. seq.

“TIF Revenues”: The ad valorem taxes, if any, arising from the tax levies upon taxable real property in the portion of the TIF Redevelopment Area related to the Redevelopment Project by any and all taxing districts or municipal corporations having the power to tax real property in the TIF Redevelopment Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the portion of the TIF Redevelopment Area related to the Redevelopment Project (those units of Property defined in Appendix A of the Carlyle Tax Increment Financing Project Area #1) over and above the Total Initial Equalized Assessed Value of

each such portion of property within the TIF Redevelopment Area, all as determined by the County Clerk of the County of Clinton, Illinois, in accordance with Section 11-74.4-8 of the TIF Act. For purposes of this Agreement, the "then current equalized assessed valuation" shall mean the equalized assessed valuation for each taxable lot, block, tract or parcel of real property within the portion of the TIF Redevelopment Area related to the Redevelopment Project for the first year following full assessment of said real property after substantial completion of the Work within the Redevelopment Project.

"Work": All work necessary to prepare the Property for, and to implement the portion of, the Redevelopment Project set forth in Section 2.1.a. below, including but not limited to, the construction of new Tractor Supply Company retail store on the agreed upon Property, including all site preparation, demolition, infrastructure and utility improvements, and other work required to support such a project; all to be used for activities in accordance with the Redevelopment Plan.

"Zoning Approvals": All plat approvals, re-zoning or other zoning and ordinance changes, site plan approvals, conditional use permits, or other subdivision, signage, zoning, or similar approvals required from the City for the implementation of the Redevelopment Project and which are consistent with the Redevelopment Plan and this Agreement and all Federal, state and local laws, ordinances, codes and regulations (except that with respect to the City's Zoning Ordinances, such applications may contain such non-conformance or variance to the extent contemplated by the Redevelopment Plan and this Agreement).

Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Redevelopment Plan.

2. Redevelopment Project The City and Developer agree to carry out the Redevelopment Project in accordance with the Redevelopment Plan and this Agreement.

2.1 Developer Undertakings. The Developer agrees, subject to the terms and conditions hereof to undertake the Developer's Portion of the Redevelopment Project, viz.:

- a) The construction of new Tractor Supply Company retail store on the agreed upon Property, including all site preparation, demolition, infrastructure and utility improvements, and other work required to support such a project; all to be used for activities in accordance with the Redevelopment Plan.
- b) The removal, relocation, improvement and/or construction of all utilities that shall serve the project including: electric, telecommunications, water, sanitary sewer, and storm water management improvements and facilities.
- c) The reconstruction, improvement and enlargement of existing Governors Drive to the extent required to support traffic needs created by the project.
- d) The Developer agrees to begin the project within sixty (60) days of the

execution of this agreement, and to complete the project within one hundred eighty (180) days of the execution of this agreement. The Developer may be granted extensions to these deadlines with written consent from the City.

2.2 City Undertaking. The City agrees, subject to the terms and conditions hereof, to use diligent efforts to expeditiously consider all Zoning Approvals necessary to commence and complete the Redevelopment Project so long as the application and documentation of such Zoning Approval Requests are in compliance with the Redevelopment Plan and all applicable Federal, state and local laws, ordinances, codes and regulations.

3. Acceptance of Proposal/Developer Selection: The City hereby accepts the Redevelopment Proposal, as amended hereby, and selects the Developer exclusively to perform the Work as outlined herein, in accordance with the terms of this Agreement. In the event of any conflict between the Redevelopment Proposal or Redevelopment Plan and the terms hereof, the terms hereof shall control.

4. Plans and Approvals

4.1 Changes During the progress of the Work, the Developer may make such reasonable changes, including, without limitation, modification of the construction schedule, including dates of commencement and completion, modification of the areas in which this work is to be performed, expansion or deletion of items, and any and all such other changes as site conditions or orderly development may dictate and as may be in substantial conformance with the Redevelopment Plan and this Agreement, provided that the Developer shall first obtain the consent of the City, which consent shall not be unreasonably withheld or delayed, before the Developer makes any such changes.

4.2 Zoning Approvals The City agrees to cooperate with the Developer and to expeditiously process and timely consider all applications for the Zoning Approvals which are in substantial conformance with the Redevelopment Plan and this Agreement, and are not contrary to any Federal, state or local law, ordinance, code or regulation (except that with respect to the City's Zoning Ordinances, such applications may contain such nonconformance or variance to the extent contemplated by the Concept Plan, the Redevelopment Plan and this Agreement), all in accordance with the applicable City ordinances and laws of the State of Illinois, and to take all further actions relating to Zoning Approvals (after processing in accordance with applicable laws and ordinances) as are consistent with the Redevelopment Plan and this Agreement.

5. Payment of the Developer's Share

5.1 Requests for Payment of the Developer's Share The Developer shall submit Requests for Payment of the Developer's Share ("Requests") in substantially the

same form as set forth in **Exhibit 2 - Request for Reimbursement**. All Requests shall be accompanied by invoices, statements, vouchers or bills for the amount requested (including evidence of payment thereof as to any amounts for which payment or reimbursement is requested) and lien waivers for all services or materials furnished by subcontractors, except as to any retainage, related to amounts for which reimbursement is requested. The Developer must also show proof that all Real Estate Property Taxes attributable to the Property are paid in full and to date and that all sales tax owed to the City of Carlyle paid in full.

5.2 City's Determination of Payment of the Developer's Share The City shall approve or disapprove any Request within 30 days of the submittal thereof. If the City disapproves any Request or any portion thereof, it shall state in writing the reasons therefore and provide the Developer a reasonable opportunity to clarify or correct the Request.

5.3 Payment of the Developer's Share Within 90 days of receipt and deposit of the Property's TIF Revenues into the City's Special Allocation Fund, the City shall pay the Developer the Developer's Share to the extent monies are available in the Special Allocation Fund. Such payment shall continue until such time as the earlier of the following: (i) the Developer Portion of the Redevelopment Project is no longer used for the purposes outlined in this Agreement; (ii) the Reimbursement Limit is reached; (iii) the Agreement Term is reached; (iv) the Carlyle Tax Increment Financing Area (TIF #1) expires.

In the event the Developer defaults on the obligations indicated within this agreement within five (5) years from the execution of this Agreement, the Developer shall return to the City a sum of 20% of the total amount of increment granted from the City to the Developer for every year of the first five years of this Agreement in which obligations are not met. If a default occurs within one (1) year of the signing of this Agreement, the Developer will return 100% to the City. If a default occurs between one (1) year and two (2) years from the signing of this Agreement, the Developer will return 80% to the City. If a default occurs between two (2) years and three (3) years from the signing of this Agreement, the Developer will return 60% to the City. If a default occurs between three (3) years and four (4) years from the signing of this Agreement, the Developer will return 40% to the City. If a default occurs between four (4) years and five (5) years from the signing of this Agreement, the Developer will return 20% to the City.

5.4 Reimbursements Limited to Eligible Redevelopment Projects Costs Nothing in this Agreement shall obligate the City to pay or to reimburse the Developer for any cost that is not incurred pursuant to Section 11-74.4-3 of the TIF Act and that does not qualify under Section 11-74.4-3 (q) as determined by the City. The Developer shall, at the City's request, provide (a) itemized invoices, receipts or other information, if any, requested by the City to confirm that any such costs are so incurred and do so qualify, and (b) an opinion of counsel to the Developer that such

cost is eligible for reimbursement under the TIF Act.

5.5 City's Obligations Limited to Special Allocation Fund Notwithstanding any other term or provision of this Agreement, the City's obligations pursuant to this Agreement are limited to monies in the Special Allocation Fund, and from no other source, up to the Reimbursement Limit, should the Work be completed. This agreement does not compel the City's General Fund, or any other source of funds, to provide monies for any amount or obligation identified herein.

6. Notices Any notice, demand, or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States First Class Mail, postage prepaid, or delivered personally,

1) In the case of the Developer, to:

3PP Carlyle, LLC
Attn: Christopher J. Canarie
10053 Old Farm Court
Cincinnati, OH 45242

2) In the case of the City, to:

City of Carlyle
Attn: Mayor Mike Burton
850 Franklin Street
Carlyle, Illinois 62231

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

7. Conflict of Interest The parties agree to abide by all applicable federal, state and local laws, ordinances and regulations relating to conflict of interest. Additionally, but not in limitation of the foregoing, no member of the City Council or any branch of government of the City who has any power of review or approval of any of the undertakings contemplated herein shall participate in any decisions relating thereto which affect his or her personal interests or the interests of any corporation, partnership or other entity in which he or she is directly or indirectly interested. Any member, official, employee or agent of the City now having or subsequently acquiring any personal interest, direct or indirect, or now having or subsequently acquiring any interest in any corporation, partnership or association which has any interest in the Redevelopment Area, or in any contract or proposed contract in connection with the redevelopment, rehabilitation or financing of the Redevelopment Area, shall immediately disclose in writing to the City Council the nature of such interest and seek a determination with respect to such interest by the City Council and in the meantime shall not participate in or attempt to influence any actions or discussions relating to the Redevelopment Area.

8. Maintenance of Redevelopment Area The Developer shall maintain or cause to be maintained all of the Work and the Developer's Portion of the Redevelopment Project, the Property and all buildings and improvements within its control in the Redevelopment Area in accordance with all federal, state and local laws, regulations, codes and ordinances.

9. Representative Not Personally Liable No official, agent, employee, or representative of the City shall be personally liable to the Developer in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

10. Release and Indemnification

(a) Developer covenants and agrees that the City and its governing body members, officers, agents, servants and employees shall not be liable for, and agrees to indemnify and hold harmless the officers, agents, servants, and employees thereof against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Acquisition of the Property or construction of the Work.

(b) The City and its governing body of members, officers, agents, servants, and employees shall not be liable for any damage or injury to the persons or property of the Developer or any of its Affiliates or its officers, agents, servants or employees or any other person who may be about the Property Work due to any act of negligence of any person except to the extent that such liability is covered by and payable under applicable liability insurance.

(c) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its governing body members, officers, agents, servants or employees in their individual capacities.

(d) No official, employee, agent or representative of the City shall be personally liable to the Developer or any of its Affiliates in the event of a default or breach by any party under this Agreement.

(e) Notwithstanding anything herein to the contrary, the City shall not be liable to the Developer or any of its Affiliates for damages arising in any way from this Agreement, or any other obligation or agreement made in connection therewith or from any breach thereof, or arising from a declaration by a final judgment by a court of competent jurisdiction that all or any portion of the Act is unconstitutional or that any ordinance of the City adopted in connection with the Redevelopment Proposal, Redevelopment Plan or the TIF Act is invalid or unconstitutional in whole or in part; provided that nothing in this Section shall limit claims by Developer or any of its Affiliates against the Special Allocation Fund or actions by Developer seeking specific performance of relevant contracts.

(f) The Developer agrees to indemnify and hold the City, its employees, agents and independent contractors, harmless from, and against any and all suits, claims, damages, liabilities and costs and attorneys fees (a "claim"), resulting from, arising out of, or in any way connected with (1) the Redevelopment Plan or Redevelopment Proposal or their approval, (2) this Agreement, the City's ownership, control, operation or condition of all or any part of the property located within the Property; or any other agreement or obligation made in connection therewith or their approvals, (3) any legal action brought challenging all or any of the foregoing or challenging or counterclaiming in any eminent domain action, (4) the construction of the Work, and (5) the negligence or willful misconduct of the Developer, its employees, agents or independent contractors in connection with the management, development, redevelopment and construction of the Work. In any action concerning or to enforce any of the terms and conditions of this Agreement or any related obligations of Developer, the Developer shall pay all the City's expenses, attorney's fees, and costs and the City may withhold from any amounts otherwise due the Developer under this Agreement or any other obligation of the City to the Developer, any amounts due from the Developer under this Agreement or any other obligation of the Developer to the City.

11. Nondiscrimination In the performance of their obligations hereunder, Developer shall not discriminate on the basis of race, religion, sex, color, national origin, veteran status, age or physical handicap, and the parties shall take such affirmative action as may be appropriate to afford opportunities to everyone in all operations on the Property, including enforcement, contracting, operating, maintenance and purchasing. Developer shall comply with all applicable federal, state and local laws, ordinances, executive orders and regulations regarding equal employment, nondiscrimination and affirmative action.

12. Representation of the City The City represents and warrants that:

(a) Organization and Authority The City (i) is an Illinois municipal corporation, and (ii) has full corporate power to execute and deliver and perform the terms and obligations of this Agreement. The City has been authorized by all necessary action to execute and deliver this Agreement, which shall constitute the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

(b) No Defaults or Violations of Law The execution and delivery of this Agreement will not conflict with or result in a breach of any of the terms of, or constitute a default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the City is a party of by which it is bound or the City's charter, or any of the rules or regulations applicable to the City.

13. Representations of the Developer The Developer represents and warrants that:

(a) Organization and Authority The Developer (i) is duly organized under the laws of the State of Illinois and is in good standing under the laws of the State of Illinois, and (ii) has full corporate power to execute and deliver and perform the terms and obligations of this Agreement. The Developer has been authorized by all necessary corporate action to execute and deliver this Agreement, which shall constitute the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms and that the Agreement shall constitute the legal, valid and binding obligation of the Developer enforceable by City in accordance with its terms.

(b) No Defaults or Violations of Law The execution and delivery of this Agreement, and the General Contract by the Developer will not conflict with or result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Developer is a party or by which they are bound or their respective articles incorporation, bylaws, or any of the rules or regulations applicable to the Developer of any court or other governmental body.

(c) Pending Litigation Except with regard to those matters which counsel to the City and counsel to the Developer have discussed, no litigation, proceedings or investigations are pending or, to the knowledge of the Developer, threatened against the Developer, except claims which if adversely determined will not, in the opinion of counsel to the Developer, materially and adversely affect the financial condition or operations of the Developer. In addition (except with regard to those matters which counsel to the City and counsel to the Developer have discussed), no litigation, proceedings or investigations are pending or, to the knowledge of the Developer, threatened against the Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement by the Developer or which would in any manner challenge or adversely affect the corporate existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer of the terms and provisions of this Agreement.

(d) Full Disclosure There is no fact which the Developer has not disclosed to the City in writing which materially affects adversely or, so far as the Developer can now foresee, will materially affect adversely the financial condition of the Developer or its ability to own and operate its properties or to carry out its obligations under this Agreement or the General Contract.

14. Inspection The Developer shall allow authorized representatives of the City access to the work site from time to time upon reasonable advance notice prior to the completion of the Work for reasonable inspection thereof.

15. Choice of Law This Agreement shall be taken and deemed to have been fully executed by parties in, and governed by the laws of, the State of Illinois for all purposes and intents.
16. Entire Agreement; Amendment The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the parties.
17. Entire Agreement; Voiding The City shall retain the right to void this Agreement at any of the following moments: (i) the Reimbursement Limit is reached; (ii) the date the Carlyle Tax Increment Financing Area (TIF #1) expires; (iii) the Developer has failed to meet to the deadlines for the start or completion of the Work as outlined within section 2.1, and no extensions have been granted.
18. Prevailing Wage The Developer agrees that any work performed by or for the Developer under this Agreement shall comply with all applicable provisions of the prevailing wage laws and with all other applicable laws, ordinances, and regulations governing fair labor practices.
19. Severability In the event any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.
20. Assignment The rights and obligations of the Developer under this Agreement shall be fully assignable by means of written notice to the City. The City shall not unreasonably withhold its consent provided that the nature of the Redevelopment Project is not substantially changed. No such assignment shall be deemed to release the Developer of its obligations to the City under this Agreement unless the specific consent of the City to release the Developer's obligations is first obtained in writing.

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed in their respective names and caused their respective seals to be affixed thereto, and attested as to the date first above written.

"CITY"

CITY OF CARLYLE, ILLINOIS

DATE _____

Mayor
The Honorable Mike Burton

Attest:

By: _____

"DEVELOPER"

3PP Carlyle, LLC

DATE _____

By: _____

APPENDIX A

PROJECT LOCATION

***Parcel ID(s):** 08-08-07-301-006 (Subject to Change)

Legal: Subdivision WEST LAKE TERRACE Outlot A & A PT OF OUTLOTS 8.06A (Subject to Change)

MAP



EXHIBIT 1

Example Payment Schedule

The following payment schedule assumes that the project is completed in 2017, with the first year of full assessment occurring in 2018.

The City is allowed + 90 days upon deposit of the TIF Revenues for a certain tax year into the TIF Fund to disburse payment of the Developer's Share.

Due to the uncertain date that taxes owed to the TIF Fund are actually collected and deposited into the TIF Fund by the City, TIF Revenues which should be collected in any given year may not be reimbursed back to the Developer until the following year.

| TAX YEAR YEAR | YEAR ASSESSED | YEAR COLLECTED | YEAR REIMBURSEMENT DISBURSED |
|---------------|---------------|----------------|---------------------------------|
| 2018 | 2018 | 2019 | 2019/2020 |
| 2019 | 2019 | 2020 | 2020/2021 |
| 2020 | 2020 | 2021 | 2021/2022 |
| 2021 | 2021 | 2022 | 2022/2023 |
| 2022 | 2022 | 2023 | 2023/2024 |
| 2023 | 2023 | 2024 | 2024/2025 |
| 2024 | 2024 | 2025 | 2025/2026 |
| 2025 | 2025 | 2026 | 2026/2027 |
| 2026 | 2026 | 2027 | 2027/2028 |
| 2027 | 2027 | 2028 | 2028/2029 |
| 2028 | 2028 | 2029 | 2029/2030 |
| 2029 | 2029 | 2030 | 2030/2031 |
| 2030 | 2030 | 2031 | 2031/2032 |
| 2031 | 2031 | 2032 | 2032/2033 |
| 2032 | 2032 | 2033 | 2033/2034 |
| 2033 | 2033 | 2034 | 2034/2035 |

EXHIBIT 2

REQUEST FOR REIMBURSEMENT

Request for Reimbursement of Eligible Redevelopment Project Costs

TO: The Honorable Mike Burton
Carlyle City Hall
850 Franklin St.
Carlyle, Illinois 62231

You are hereby requested and directed as per the Redevelopment Agreement dated _____, 2016, between the City of Carlyle, IL and 3PP Carlyle, LLC, to pay the Developer's Share from the Special Allocation Fund (TIF #1) for those TIF eligible costs items related to the following Redevelopment Project Costs:

| <u>Payee</u> | <u>Amount</u> | <u>Description of Costs</u> |
|--------------|---------------|-----------------------------|
|--------------|---------------|-----------------------------|

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement. The undersigned is the Developer under the Redevelopment Agreement dated as of _____, 2016, between the City and the Developer.

The undersigned, on behalf of the Developer, hereby states and certifies to the City that:

1. Each item listed above is a Redevelopment Project Cost and was incurred in connection with the construction of the Redevelopment Project.
2. All real estate and sales taxes attributable to the Property have been paid in full proof of which is attached to this Request for Payment.
3. These Redevelopment Project Costs have been incurred by the Developer and have been paid by the Developer and are payable or reimbursable under the Redevelopment Agreement.

4. Each item listed above has not previously been paid or reimbursed from moneys in the Special Allocation Fund and no part thereof has been included in any other certificate previously filed with the City.
5. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this requires, except to the extent that any such lien is being contested in good faith.
6. All necessary permits and approvals required for the portion of the Work on the Redevelopment Project for which this certificate relates have been issued and are in full force and effect.
7. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Construction Plans.
8. All Administration Fees have been paid in full/I agree to have any unpaid Administration Fee's deducted from the Developer's Share as necessary.

Dated this ____ day of _____, _____

3PP Carlyle, LLC – Tractor Supply Company

By: _____

Title(s) _____

Approved for Payment:

CITY OF CARLYLE, ILLINOIS

By: _____

Title: _____

ATTACHMENT K

City of Carlyle, Illinois
Illinois Tax Increment Financing District

FINANCIAL STATEMENTS

April 30, 2017

City of Carlyle, Illinois
Illinois Tax Increment Financing District

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GLASS AND SHUFFETT, LTD.

Certified Public Accountants

Members:
American Institute of
Certified Public Accountants
Illinois Society of
Certified Public Accountants

1819 West McCord
P.O. Box 489
Centralia, Illinois 62801
(618) 532-5683
FAX (618) 532-5684

Associate Office
961 Fairfax
P.O. Box 322
Carlyle, Illinois 62231
618-594-4737

Independent Auditors' Report

August 28, 2017

Honorable Mayor and Members of the Board of Aldermen
City of Carlyle, Illinois
Carlyle, Illinois 62231

Report on Financial Statements

We have audited the accompanying financial statements of the Illinois Tax Increment Financing District of the City of Carlyle, Illinois as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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.

Basis for Adverse Opinion

As discussed in Note #1, the financial statements present only the Illinois Tax Increment Financing District. Accounting principles generally accepted in the United States of America require that City of Carlyle, Illinois' financial statements present the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carlyle, Illinois.

Honorable Mayor and Members of the Board of Aldermen

August 28, 2017

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion” paragraph, the financial statements referred to above do not present fairly the financial position of City of Carlyle, Illinois as of April 30, 2017, or the changes in the financial position or cash flows thereof for the year then ended.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Tax Increment Financing District of the City of Carlyle, Illinois, as of April 30, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Glass and Shuffett, Ltd.

Centralia, Illinois

City of Carlyle, Illinois
 Illinois Tax Increment Financing District
 BALANCE SHEET
 April 30, 2017

| | Illinois Tax Increment Financing District | | | Total |
|-------------------------------------|--|-----------|-----------|------------|
| | TIF-1 | TIF-2 | TIF-3 | |
| <u>ASSETS</u> | | | | |
| Cash in Bank | \$ 93,013 | \$ 22,619 | \$ 96,431 | \$ 212,063 |
| Accrued Interest | 55 | - | 22 | 77 |
| | | | | |
| Total Assets | \$ 93,068 | \$ 22,619 | \$ 96,453 | \$ 212,140 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ - | \$ 212 | \$ - | \$ 212 |
| | | | | |
| Total Liabilities | - | 212 | - | 212 |
| <u>FUND BALANCES</u> | | | | |
| Fund Balances (Deficit) | 93,068 | 22,407 | 96,453 | 211,928 |
| | | | | |
| Total Liabilities and Fund Balances | \$ 93,068 | \$ 22,619 | \$ 96,453 | \$ 212,140 |

The accompanying notes are an integral part of these financial statements.

City of Carlyle, Illinois
 Illinois Tax Increment Financing District
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Year Ended April 30, 2017

| | Illinois Tax Increment Financing District | | | Total |
|---|--|-----------------|---------------|------------------|
| | TIF-1 | TIF-2 | TIF-3 | |
| Revenues: | | | | |
| Property Taxes | \$ 337,617 | \$ 582,714 | \$ 46,707 | \$ 967,038 |
| Interest on Investments | 601 | 488 | 204 | 1,293 |
| Total Revenues | 338,218 | 583,202 | 46,911 | 968,331 |
| Expenditures: | | | | |
| Improvements | - | 141,861 | - | 141,861 |
| Payments in Lieu of Taxes | 239,237 | 585,843 | 23,435 | 848,515 |
| Administrative Expenses | 8,897 | 90,880 | 1,073 | 100,850 |
| Total Expenditures | 248,134 | 818,584 | 24,508 | 1,091,226 |
| Excess (Deficiency) of Revenues Over Expenditures | 90,084 | (235,382) | 22,403 | (122,895) |
| Other Financing Sources (Uses): | | | | |
| Loan Proceeds | - | - | - | - |
| Transfers In | - | 165,000 | - | 165,000 |
| Transfers Out | (165,000) | - | - | (165,000) |
| Total Other Financing Sources (Uses) | (165,000) | 165,000 | - | - |
| Net Change in Fund Balances | (74,916) | (70,382) | 22,403 | (122,895) |
| Fund Balances: | | | | |
| Beginning of Year | 167,984 | 92,789 | 74,050 | 334,823 |
| End of Year | \$ 93,068 | \$ 22,407 | \$ 96,453 | \$ 211,928 |

The accompanying notes are an integral part of these financial statements.

City of Carlyle, Illinois
 Illinois Tax Increment Financing District
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES -
 BUDGETARY BASIS
 Year Ended April 30, 2017

| | Illinois Tax Increment Financing District | | | |
|--|---|------------------|----------------|------------------|
| | TIF-1 | | TIF-2 | |
| | Budget | Actual | Budget | Actual |
| Revenues Received: | | | | |
| Property Taxes | \$ 369,479 | \$ 337,618 | \$ 587,208 | \$ 582,714 |
| Interest on Investments | 700 | 586 | 350 | 488 |
| Total Revenues Received | 370,179 | 338,204 | 587,558 | 583,202 |
| Expenditures Paid: | | | | |
| Improvements | 65,000 | - | 190,000 | 141,861 |
| Payments in Lieu of Taxes | 262,579 | 239,239 | 592,766 | 586,788 |
| Administrative Expenses | 18,700 | 9,864 | 89,309 | 90,880 |
| Total Expenditures Paid | 346,279 | 249,103 | 872,075 | 819,529 |
| Excess (Deficiency) of Revenues Received Over Expenditures Paid | 23,900 | 89,101 | (284,517) | (236,327) |
| Other Financing Sources (Uses): | | | | |
| Loan Proceeds | - | - | - | - |
| Transfers From (To) Other Funds | (191,000) | (165,000) | 191,000 | 165,000 |
| Excess (Deficiency) of Revenues Received and Other Financing Sources Over Expenditures Paid and Other Financing Uses | (167,100) | (75,899) | (93,517) | (71,327) |
| Fund Balances: | | | | |
| Beginning of Year (Deficit) | 168,911 | 168,911 | 93,946 | 93,946 |
| End of Year (Deficit) | <u>\$ 1,811</u> | 93,012 | <u>\$ 429</u> | 22,619 |
| Adjustments to Conform with GAAP | | <u>56</u> | | <u>(212)</u> |
| Fund Balance End of Year (GAAP Basis) | | <u>\$ 93,068</u> | | <u>\$ 22,407</u> |

EXHIBIT C

| TIF-3 | |
|-------------------|------------------|
| Budget | Actual |
| \$ 57,309 | \$ 46,707 |
| 100 | 193 |
| <u>57,409</u> | <u>46,900</u> |
| 5,000 | - |
| 20,155 | 23,435 |
| 2,177 | 1,470 |
| <u>27,332</u> | <u>24,905</u> |
| 30,077 | 21,995 |
| - | - |
| <u>-</u> | <u>-</u> |
| 30,077 | 21,995 |
| <u>74,435</u> | <u>74,435</u> |
| <u>\$ 104,512</u> | 96,430 |
| | <u>23</u> |
| | <u>\$ 96,453</u> |

The accompanying notes are an integral part of these financial statements.

City of Carlyle
Illinois Tax Increment Financing District
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

In accordance with the Illinois Tax Increment Allocation Redevelopment Act of the State of Illinois, the City created three tax increment financing (TIF) districts. TIF-1 and 2 were created in 1998. TIF-3 was created in 2006.

TIF-1 encompasses property within the City that is north of the intersection of "New" U.S. 50 and 12th Street and that is zoned commercial or industrial. TIF-2 encompasses commercial and industrial property that is south of this same intersection. Typically, the commercial and industrial property within TIF-2 is located on or near 12th or Franklin Streets. TIF-1 and TIF-2 abut each other near the intersection of "New" U.S. 50 and 12th Street. TIF-3 encompasses property that was annexed by the City in September of 2005 that is commonly referred to as Carlyle's "West End." TIF-3 and TIF-2 abut each other along the west property line of Fortis Plastics.

TIF increments are used to incentivize commercial and industrial development in TIF-1 and TIF-2. TIF-3 was created specifically to assist in the development of a residential subdivision at Carlyle's West End known as Old State Commons. The increment in TIF-1 is used to either reimburse expenses incurred by commercial and industrial developments that are defined as eligible for reimbursements under State law or finance eligible activities undertaken by the City. TIF-2 makes a similar use of the tax increment generated here, but the tax increment that is not pledged pursuant to a redevelopment agreement with a private developer is returned to the taxing districts with taxable property within TIF-2.

TIF-3 is different, as it relates to TIF-1 and TIF-2. TIF-3 is the City's only TIF district that will assist a residential subdivision (Old State Commons). As provided by State law, the City will share a portion of the increment generated by Old State Commons with the Carlyle Unit School District. Additionally, for a senior residential development known as the "Pointe," the City will redirect 20% of the increment generated by this project to the School District.

These financial statements reflect only the activity of the City of Carlyle, Illinois, Illinois Tax Increment Financing District funds. The financial statements for the City of Carlyle, Illinois as of April 30, 2016, are separately reported and are not presented herein.

The financial statements for the Illinois Tax Increment Financing District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Basis of Presentation - Fund Accounting

The City accounts for the activity of the Illinois Tax Increment Financing District in its Capital Project Fund, since capital projects funds (by definition) are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Basis of Accounting

The City maintains its records on the basis of cash receipts and disbursements. For financial statement presentation purposes, the accounts of the City have been adjusted to reflect assets and liabilities of the capital projects funds on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when received in cash unless susceptible to accrual, i.e., measurable and available. Available means collectible soon enough to be used to pay liabilities of the current period. Taxes, liquor licenses, grants, traffic fines, and investment income are susceptible to accrual under the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred.

Transfers

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as operating transfers and are reported as other financing sources (uses) in the capital project funds.

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 reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Budget and Appropriation

The budget and appropriation ordinance for the Illinois Tax Increment Financing District funds is prepared on the cash basis of accounting which is the same basis used to maintain the records. The budget and appropriation ordinance was passed on July 11, 2016 and was not amended. Total fund expenditures may not legally exceed the appropriated expenditures. The budget and appropriation ordinance lapses at the end of each fiscal year.

NOTE 2--EXCESS EXPENDITURES OVER APPROPRIATIONS

There were no expenditures in excess of the appropriation.

ATTACHMENT L

GLASS AND SHUFFETT, LTD.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

August 28, 2017

Honorable Mayor and Members of
the Board of Aldermen
City of Carlyle
Carlyle, Illinois 62231

We have audited the financial statements of the City of Carlyle Illinois, Illinois Tax Increment Financing District as of and for the year ended April 30, 2017, and have issued our report thereon dated, August 28, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

As part of obtaining reasonable assurance about whether the financial statements for the City of Carlyle, Illinois, Illinois Tax Increment Financing District are free of material misstatement, we performed tests of its compliance with certain provisions of subsection (q) of Section 11-74, 4-3 of the Illinois Compiled Statutes (65 ILCS 5) pertaining to the Tax Increment Act, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported.

This report is intended for the information and use of the Board of Aldermen, management, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glass and Shuffett, Ltd.

Centralia, Illinois