PRELIMINARY OFFICIAL STATEMENT, DATED SEPTEMBER __, 2016

NEW ISSUE | **Rating:**
BOOK-ENTRY ONLY | **S&P: "____" (_____ Outlook)**
See "BOND RATING" herein

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, 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.

Community Unit School District Number 304
Kane County, Illinois
(Geneva)
$32,440,000* General Obligation Refunding School Bonds, Series 2016

Dated: Date of Delivery | **Due: January 1, as further described on the inside cover page**

The General Obligation Refunding School Bonds, Series 2016 (the *"Bonds"*), of Community Unit School District Number 304, Kane County, Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each January 1 and July 1, commencing July 1, 2017.

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds.

The Bonds due on or after January 1, 2027,* are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after January 1, 2026,* at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same 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. See "THE BONDS—Security" herein.

The Bonds are offered when, as and if issued by the District and received by William Blair & Company, L.L.C., Chicago, Illinois (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District and will render negative assurance letters to the District and the Underwriter with respect to certain matters set forth in this Official Statement. Whitt Law LLC, Aurora, Illinois, will pass on certain matters for the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about December 1, 2016.

William Blair

The date of this Official Statement is October __, 2016.

---

* Preliminary, subject to change.

Community Unit School District Number 304
Kane County, Illinois
(Geneva)

$32,440,000* GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2016

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (484026)
2026	$5,950,000	%	%	
2027	6,190,000	%	%	
2028	6,440,000	%	%	
2029	6,760,000	%	%	
2030	7,100,000	%	%	

---

* Preliminary, subject to change.

** CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Companies 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 Bonds.

No dealer, broker, salesman or other person has been authorized by the District or William Blair & Company, L.L.C., Chicago, Illinois (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 District, 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 District 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 District 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 District 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 District's beliefs as well as assumptions made by and information currently available to the District. 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.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to such Rule.

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.

OFFICIAL STATEMENT SUMMARY

This offering of Bonds is made only by means of the Official Statement in its entirety. No person shall be authorized to detach this Summary from the Official Statement or to otherwise use this Summary without the Official Statement in its entirety.

Issuer:	Community Unit School District Number 304, Kane County, Illinois (the *"District"*).
Issue:	$32,440,000* General Obligation Refunding School Bonds, Series 2016 (the *"Bonds"*).
Dated Date:	Date of Delivery.
Book-Entry Only Form:	The Bonds are issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, in $5,000 denominations or integral multiples thereof, and will be in Book-Entry Only Form.
Expected Delivery Date:	December 1, 2016.
Interest Payment Dates:	Each January 1 and July 1, commencing July 1, 2017.
Principal Payment Dates:	Each January 1, beginning January 1, 2026, and ending January 1, 2030, as described on the inside cover page of this Official Statement.
Record Date:	The close of business on the 15th day of the calendar month next preceding any principal or interest payment date.
Optional Redemption:	The Bonds due on or after January 1, 2027,* are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after January 1, 2026,* at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

---

* Preliminary, subject to change.

Authority and Purpose:....................	The Bonds are being issued pursuant to the School Code of the State of Illinois, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and a bond resolution adopted by the Board of Education of the District on the 12th day of September, 2016, as supplemented by a notification of sale. Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds.
Security:..	In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same 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. See "THE BONDS—Security" herein.
Tax Exemption:...............................	Chapman and Cutler LLP will provide an opinion as to the federal tax exemption of the interest on the Bonds. See "APPENDIX B—Proposed Form of Opinion of Bond Counsel."
Paying Agent/Registrar/Escrow Agent:..	Amalgamated Bank of Chicago, Chicago, Illinois.
Bond Rating:..................................	S&P Global Ratings, New York, New York, has assigned the Bonds a rating of "__" (_________ Outlook).
Legal Opinion:................................	Chapman and Cutler LLP, Chicago, Illinois.

TABLE OF CONTENTS

PAGE

EXHIBITS

APPENDICES

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 304
KANE COUNTY, ILLINOIS
(GENEVA)

227 North Fourth Street
Geneva, Illinois 60134

Board of Education

Mark Grosso
President

Leslie Juby	David Lamb	Mike McCormick
Mary Stith	Kelly B. Nowak *Vice President*	Bill Wilson

Administration

Dr. Kent Mutchler
Superintendent

Donna Oberg
Assistant Superintendent for Business Services

Professional Services

Underwriter
William Blair & Company, L.L.C.
Chicago, Illinois

Bond Counsel and Disclosure Counsel
Chapman and Cutler LLP
Chicago, Illinois

Local Counsel
Whitt Law LLC
Aurora, Illinois

Bond Registrar, Paying Agent and Escrow Agent
Amalgamated Bank of Chicago
Chicago, Illinois

Auditor
Klein Hall CPAs
Aurora, Illinois

OFFICIAL STATEMENT

Community Unit School District Number 304
Kane County, Illinois
(Geneva)
$32,040,000* General Obligation Refunding School Bonds, Series 2016

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Unit School District Number 304, Kane County, Illinois (the *"District"*), in connection with the offering and sale of its General Obligation Refunding School Bonds, Series 2016 (the *"Bonds"*).

This Official Statement contains "forward-looking statements" that are based upon the District'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 District. 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 District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the *"School Code"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the *"Board"*) on the 12th day of September, 2016, as supplemented by a notification of sale (together, the *"Bond Resolution"*).

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding Capital Appreciation School Bonds, Series 2001A, dated June 7, 2001 (the *"Series 2001A Bonds"* and, those Series 2001A Bonds being refunded, the *"Refunded 2001A Bonds"*), and General Obligation School Bonds, Series 2007A, dated July 1, 2007 (the *"Series 2007A Bonds"* and, those Series 2007A Bonds being refunded, the *"Refunded 2007A Bonds"* and, together with the Refunded 2001A Bonds, the *"Refunded Bonds"*), and (b) pay costs associated with the issuance of the Bonds. See "THE REFUNDING" herein.

---

* Preliminary, subject to change.

General Description

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the *"Registrar"*).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each January 1 and July 1, beginning July 1, 2017.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America 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.

Registration and Transfer

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

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

Redemption

Optional Redemption. The Bonds due on or after January 1, 2027,* are subject to redemption prior to maturity at the option of the District as a whole or in part in integral

* Preliminary, subject to change.

multiples of $5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on January 1, 2026,* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds due on January 1 of the years 20__ and 20__ are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on January 1 of the years and in the principal amounts as follows:

FOR THE BONDS DUE JANUARY 1, 20__

YEAR	PRINCIPAL AMOUNT
20__	$
20__	(stated maturity)

FOR THE BONDS DUE JANUARY 1, 20__

YEAR	PRINCIPAL AMOUNT
20__	$
20__	(stated maturity)

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General. The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

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

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same 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 Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Resolution will be filed with the County Clerk of Kane 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 Resolution to pay the Bonds.

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

THE REFUNDING

A portion of the proceeds of the Bonds will be used to refund the Refunded Bonds, further described as follows:

SERIES 2001A BONDS

MATURITY (JANUARY 1)	ORIGINAL PRINCIPAL AMOUNT OUTSTANDING	ORIGINAL PRINCIPAL AMOUNT REFUNDED BY THE BONDS*	CALL PRICE	CALL DATE
2017	$ 2,245,460.00	$ 0.00	N/A	N/A
2018	2,685,200.95	238,552.00	Not Callable	Not Callable
2019	3,050,475.95	0.00	N/A	N/A
2020	3,607,240.00	0.00	N/A	N/A
2021	3,077,703.50	0.00	N/A	N/A
TOTAL	$14,666,080.40	$238,552.00		

* Preliminary, subject to change.

SERIES 2007A BONDS

MATURITY (JANUARY 1)	AMOUNT OUTSTANDING	AMOUNT REFUNDED BY THE BONDS*	CALL PRICE	CALL DATE
2020	$ 2,650,000	$ 2,650,000	100%	January 1, 2017
2021	4,050,000	4,050,000	100%	January 1, 2017
2022	10,595,000	0	N/A	N/A
2023	11,550,000	0	N/A	N/A
2024	12,590,000	0	N/A	N/A
2025	13,720,000	0	N/A	N/A
2026	14,960,000	14,960,000	100%	January 1, 2017
2027	15,705,000	15,705,000	100%	January 1, 2017
TOTAL	$85,820,000	$37,365,000		

* Preliminary, subject to change.

Certain proceeds received from the sale of the Bonds and lawfully available funds of the District (the *"Available Funds"*) will be deposited in an Escrow Account (the *"Escrow Account"*) to be held by Amalgamated Bank of Chicago, Chicago, Illinois (the *"Escrow Agent"*), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be held in cash or applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the *"Government Securities"*) and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and the beginning cash deposit will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the maturity or prior redemption dates thereof.

Simultaneously with the issue of the Bonds, the District will deposit certain funds on hand and lawfully available in the Escrow Account to defease all of the District's outstanding General Obligation Limited Tax School Bonds, Series 2007B, dated July 1, 2007 (the *"Series 2007B Bonds"* and the *"Defeased Bonds"*), on January 1, 2017.

VERIFICATION

The accuracy of (a) the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with an initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded Bonds and the Defeased Bonds, and (b) the mathematical computations supporting the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended (the *"Code"*), will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the *"Verification Agent"*). Such verification shall be based upon information supplied by the Underwriter.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds and the Available Funds are shown below:

SOURCES:	
Principal Amount	$
Original Issue Premium	
Available Funds	____________
Total Sources	$
USES:	
Deposit to Escrow Account to pay the Refunded Bonds	$
Costs of Issuance*	____________
Total Uses	$

* Includes underwriter's discount and other issuance costs.

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 of Illinois (the *"State"*) has experienced adverse fiscal 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. The State has also been operating since July 1, 2015, without a fully enacted budget for the fiscal year ending June 30, 2016 (*"Fiscal Year 2016"*), and has not enacted a budget for the fiscal year ending June 30, 2017 (*"Fiscal Year 2017"*). Certain Fiscal Year 2016 appropriations, however, were enacted, including the approval of spending for elementary and secondary education, and other certain Fiscal Year 2016 spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees.

As described below, Fiscal Year 2017 spending for elementary and secondary education has been approved for the entire fiscal year and includes an increase of $361 million over Fiscal Year 2016 levels. As for Fiscal Year 2017 spending for all other purposes, the General Assembly has approved a stopgap six-month budget, which authorizes spending through December 31, 2016. Nonetheless, even with this partial-year budget, there will continue to be delays in payments of bills and the State's backlog of unpaid bills will continue to grow.

The State's general fiscal condition, the underfunding of the State's pension systems and the State's continuing budget impasse have materially adversely affected the State's financial condition and may result in decreased or delayed State appropriations to the District, including appropriations of the hereinafter defined State Aid (5.73% of the District's General Fund Revenue Sources for the fiscal year ended June 30, 2015).

The District cannot predict the effect the State's ongoing financial problems may have on the District's future finances.

LOCAL ECONOMY

The financial health of the District 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 District.

LOSS OR CHANGE OF BOND RATING

The Bonds have received a credit rating from S&P Global Ratings, New York, New York (*"S&P"*). The rating can be changed or withdrawn at any time for reasons both under and outside the District'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 District 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 this 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 District and to the Bonds. The District 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 District, or the taxing authority of the District. 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 District, the taxable value of property within the District, and the ability of the District 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 District in violation of its covenants in the Bond Resolution. 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 District'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 District.

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 District 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 District 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 will be similarly qualified.

THE DISTRICT

GENERAL DESCRIPTION

Community Unit School District Number 304 is located in Kane County, Illinois (the *"County"*), approximately 35 miles west of Chicago in the Fox River Valley. The community of Geneva is known for its historic charm and scenic beauty, a thriving downtown of fine restaurants and distinctive shops and a multitude of recreational opportunities. The District has an estimated population of 29,781.

There are approximately 6,000 students in ten schools in the 23-square-mile school district, which is comprised of one high school (grades 9-12), two middle schools (grades 6-8), six elementary schools (grades K-5) and one preschool.

Geneva High School has tripled in size in the last twenty years and currently serves approximately 2,000 students. The community holds high expectations for student performance, and student achievement levels exceed state and national norms.

A variety of highway and commuter and freight rail facilities are available to District area residents. Commuter travel to and from Chicago's downtown business district is available from the Regional Transportation Authority, with a commuter station centrally located in downtown Geneva. Illinois Routes 25 and 31, which straddle the Fox River, connect with the Interstate 88 East-West Tollway approximately 7 miles south of the District. Approximately 9 miles to the District's north, Routes 25 and 31 connect with the Interstate 90 Northwest Tollway. Chicago O'Hare International Airport is a 60 minute drive away via tollway.

Northern Illinois University has its main campus in DeKalb, which is approximately a forty-five minute drive from the District. District residents also have access to many public and private universities and colleges in the Chicago metropolitan area. Waubonsee Community College District No. 516 also serves District residents, providing associate degrees, and continuing education, vocational education and other programs.

The District is governed by an elected seven-member Board and a full-time administrative staff.

DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Dr. Kent Mutchler	Superintendent and Board Secretary	2006
Donna Oberg	Assistant Superintendent for Business Services and School Treasurer	2008

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Mark Grosso	President	April 2017
Kelly B. Nowak	Vice President	April 2019
Leslie Juby	Member	April 2017
David Lamb	Member	April 2017
Mike McCormick	Member	April 2019
Mary Stith	Member	April 2019
Bill Wilson	Member	April 2017

ENROLLMENT

HISTORICAL		PROJECTED	
2012/2013	5,832	2017/2018	5,630
2013/2014	5,812	2018/2019	5,584
2014/2015	5,802	2019/2020	5,507
2015/2016	5,760	2020/2021	5,467
2016/2017	5,735	2021/2022	5.441

Source: Enrollment figures are provided by the District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2016-2017 school year, the District had 909 full-time employees and 158 part-time employees. Of the total number of employees, approximately 574 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Teachers	June 2018	Geneva Ed Association	457
Support Staff	TBD*	Geneva Support Staff Association	117

Source: Enrollment figures are provided by the District.
*Under negotiation.

POPULATION DATA

The U.S. Census Bureau, in its 2010-2014 American Community Survey, estimates that the District's current population is approximately 29,781. The estimated populations of the District, the County and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	1990	2000	2010	% CHANGE 2000/2010
The District	14,752	22,684	28,816	27.03%
The County	317,471	404,119	515,269	27.50%
The State	11,430,602	12,419,293	12,830,632	3.31%

Source: U.S. Census Bureau.

EDUCATIONAL CHARACTERISTICS OF PERSONS 25 YEARS AND OLDER

	HIGH SCHOOL GRADUATES	4 OR MORE YEARS OF COLLEGE
The District	97.3%	58.4%
The County	83.0%	31.8%
The State	87.6%	31.9%

Source: U.S. Census Bureau (2010-2014 American Community Survey).

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL ONLY)*

CALENDAR YEAR	SERIES 2001A BONDS (JANUARY 1)	SERIES 2004A BONDS(1) (JANUARY 1)	SERIES 2007A BONDS (JANUARY 1)	SERIES 2007B BONDS (JANUARY 1)	SERIES 2008 BONDS(2) (JANUARY 1)	SERIES 2010 BONDS(3) (JANUARY 1)	SERIES 2011 BONDS(4) (JANUARY 1)	SERIES 2012 BONDS(5) (JANUARY 1)	PLUS: THE BONDS(6) (JANUARY 1)	LESS: THE REFUNDED BONDS AND THE DEFEASED BONDS(6) (JANUARY 1)	TOTAL OUTSTANDING BONDS(6)
2017	$2,245,460	$1,736,835		$ 915,000		$ 10,000		$1,410,000		$ 915,000	$ 5,402,295
2018	2,685,201			805,000		10,000	$3,455,000	2,755,000		1,043,552	8,666,649
2019	3,050,476			840,000		10,000	5,115,000			840,000	8,175,476
2020	3,607,240		$ 2,650,000	840,000		10,000				3,490,000	3,617,240
2021	3,077,704		4,050,000	500,000	$ 600,000	10,000				4,550,000	3,687,704
2022			10,595,000		2,070,000	10,000					12,675,000
2023			11,550,000		2,175,000	10,000					13,735,000
2024			12,590,000		2,285,000	2,525,000					17,400,000
2025			13,720,000		2,380,000						16,100,000
2026			14,960,000		2,485,000				$ 5,950,000	14,960,000	8,435,000
2027			15,705,000		2,590,000				6,190,000	15,705,000	8,780,000
2028									6,440,000		6,440,000
2029									6,760,000		6,760,000
2030									7,100,000		7,100,000
Total	$14,666,081	$1,736,835	$85,820,000	$3,900,000	$14,585,000	$2,595,000	$8,570,000	$4,165,000	$32,440,000	$40,588,552	$126,574,364

* Amounts are rounded.
(1) General Obligation Bonds, Series 2004A, dated December 23, 2004.
(2) General Obligation School Bonds, Series 2008, dated January 1, 2008.
(3) General Obligation Refunding School Bonds, Series 2010, dated March 2, 2010.
(4) General Obligation Refunding School Bonds, Series 2011, dated December 1, 2011.
(5) General Obligation Refunding School Bonds, Series 2012, dated February 1, 2012.
(6) Preliminary, subject to change.

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL AND INTEREST)

LEVY YEAR	DEBT SERVICE ON THE SERIES 2001A BONDS	DEBT SERVICE ON THE SERIES 2007A BONDS	DEBT SERVICE ON THE SERIES 2007B BONDS	DEBT SERVICE ON THE SERIES 2008 BONDS(1)	DEBT SERVICE ON THE SERIES 2010 BONDS(2)	DEBT SERVICE ON THE SERIES 2011 BONDS(3)	DEBT SERVICE ON THE SERIES 2012 BONDS(4)	PLUS: DEBT SERVICE ON THE BONDS(5)	LESS: DEBT SERVICE ON THE REFUNDED BONDS AND THE DEFEASED BONDS(5)	TOTAL DEBT SERVICE ON OUTSTANDING BONDS(5)
2016	$ 9,005,000.00	$ 6,229,200.00	$ 938,017.50	$ 673,920.00	$ 136,660.00	$3,797,800.00	$2,837,650.00	$ 1,623,375.00	$ 4,606,901.25	$ 20,748,904.58
2017	11,005,000.00	6,229,200.00	938,805.00	673,920.00	136,325.00	5,319,600.00		1,498,500.00	2,807,055.00	23,099,695.00
2018	14,000,000.00	8,879,200.00	901,005.00	673,920.00	135,985.00			1,498,500.00	5,419,255.00	20,774,755.00
2019	12,850,000.00	10,146,700.00	522,250.00	1,273,920.00	135,635.00			1,498,500.00	6,308,000.00	20,224,405.00
2020		16,489,200.00		2,719,920.00	135,275.00			1,498,500.00	1,533,250.00	19,415,045.00
2021		16,490,650.00		2,721,420.00	134,905.00			1,498,500.00	1,533,250.00	19,417,625.00
2022		16,491,150.00		2,717,232.50	2,649,525.00			1,498,500.00	1,533,250.00	21,928,557.50
2023		16,488,050.00		2,716,262.50				1,498,500.00	1,533,250.00	19,274,962.50
2024		16,493,250.00		2,720,112.50				5,228,500.00	16,493,250.00	10,689,012.50
2025		16,490,250.00		2,719,500.00				7,969,300.00	16,490,250.00	10,688,800.00
2026								7,964,500.00		7,964,500.00
2027								7,965,500.00		7,965,500.00
2028								7,964,250.00		7,964,250.00
Total	$46,860,000.00	$130,426,850.00	$3,300,077.50	$19,610,127.50	$3,464,310.00	$9,117,400.00	$2,837,650.00	$49,204,925.00	$58,257,711.25	$210,156,012.08

(1) General Obligation School Bonds, Series 2008, dated January 1, 2008.
(2) General Obligation Refunding School Bonds, Series 2010, dated March 2, 2010.
(3) General Obligation Refunding School Bonds, Series 2011, dated December 1, 2011.
(4) General Obligation Refunding School Bonds, Series 2012, dated February 1, 2012.
(5) Preliminary, subject to change.

OVERLAPPING GENERAL OBLIGATION BONDED DEBT
(As of August 3, 2016)

TAXING BODY	OUTSTANDING DEBT[1]	APPLICABLE TO DISTRICT PERCENT	APPLICABLE TO DISTRICT AMOUNT[2]
The County	$ 0	10.677%	$ 0
Kane County Forest Preserve District	144,560,000	10.677%	15,434,894
City of Batavia	36,525,000	10.508%	3,838,014
City of Geneva	6,214,000	100.000%	6,214,000
City of St. Charles	78,120,000	0.128%	99,721
Geneva Park District	2,365,000	90.381%	2,137,514
St. Charles Park District	34,660,000	0.082%	28,452
Batavia Public Library District	2,070,000	5.103%	105,626
Community College District No. 516	67,145,000	15.053%	10,107,649
TOTAL OVERLAPPING BONDED DEBT			$37,965,871

Source: Kane County Clerk's Office

(1) Excludes the following amounts of alternate revenue bonds: The County - $26,830,000; Kane County Forest Preserve District - $6,220,000; City of Geneva - $10,315,000; and St. Charles Park District - $3,185,000.

(2) Amounts are rounded.

SELECTED FINANCIAL INFORMATION

2015 Estimated Full Value of Taxable Property:	$3,868,642,086
2015 EAV of Taxable Property:	$1,289,547,362(1)
Population Estimate:	29,781
General Obligation Bonded Debt(2):	$ 126,574,364(3)
Other Direct General Obligation Debt:	$ 0
Total Direct General Obligation Debt:	$ 126,574,364(3)
Percentage to Full Value of Taxable Property:	3.27%(3)
Percentage to EAV:	9.82%(3)
Debt Limit (13.8% of EAV):	$ 177,957,536
Percentage of Debt Limit:	71.13%(3)
Per Capita:	$ 4,250(3)
General Obligation Bonded Debt(2):	$ 126,574,364(3)
Overlapping General Obligation Bonded Debt:	$ 37,965,871
General Obligation Bonded Debt and Overlapping General Obligation Bonded Debt:	$ 164,540,235(3)
Percentage to Full Value of Taxable Property:	4.25%(3)
Percentage to EAV:	12.76%(3)
Per Capita:	$ 5,525(3)

(1) Includes TIF EAV in the amount of $2,420,501. See "Tax Increment Financing Districts Located Within the District."
(2) Includes the Bonds and excludes the Refunded Bonds and the Defeased Bonds.
(3) Preliminary, subject to change.

COMPOSITION OF EAV – BY PROPERTY TYPE

	2011	2012	2013	2014	2015
Residential	$ 992,359,710	$ 944,645,606	$ 907,125,173	$ 913,497,214	$ 948,919,266
Farm	7,314,696	7,114,363	9,261,120	9,044,221	9,056,082
Commercial	207,919,412	213,460,986	205,345,480	211,929,540	208,772,984
Industrial	119,359,434	118,915,777	118,127,444	115,697,318	117,965,571
Railroad	1,341,301	1,517,682	1,875,483	2,021,239	2,412,958
Total EAV*	$1,328,294,553	$1,285,654,414	$1,241,734,700	$1,252,189,532	$1,287,126,861

Source: Kane County Clerk's Office.
* Does not include TIF EAV.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in tax increment financing (*"TIF"*) districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the *"Base EAV"*). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires.

LOCATION NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2015 EAV	INCREMENTAL EAV
Geneva TIF 2	2000	$2,933,512	$5,354,013	$ 2,420,501
			Total Incremental EAV	$ 2,420,501
			EAV Excluding TIF EAV and Enterprise Zone EAV	1,287,126,861
			Enterprise Zone EAV	0
			Total EAV	$1,289,547,362

Source: Kane County Clerk's Office.

Note: This table excludes the Geneva Fox River Redevelopment Project Area (TIF 3) for which the City of Geneva adopted tax increment financing on July 25, 2016. An initial EAV for TIF 3 has not yet been certified.

TREND OF EAV

LEVY YEAR	EQUALIZED ASSESSED VALUATION	% CHANGE IN EAV FROM PREVIOUS YEAR
2011	$1,328,294,553	-5.73%(1)
2012	1,285,654,414	-3.21%
2013	1,241,734,700	-3.42%
2014	1,252,189,532	+0.84%
2015	1,287,126,861	+2.79%

Source: Kane County Clerk's Office.
Does not include TIF EAV.
(1) Based on the District's $1,409,003,529 2010 EAV.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED(1)
2010/11	$74,615,004	$74,614,617	100.00%
2011/12	75,808,930	75,807,320	100.00%
2012/13	78,299,463	78,287,463	99.98%
2013/14	79,862,134	79,868,142	100.01%
2014/15	82,229,893	82,173,933	99.93%
2015/16	83,030,775	43,182,226	52.01%

Source: Kane County Treasurer's and County Clerk's Offices
(1) In process of collection, as of July 13, 2016.

SCHOOL DISTRICT TAX RATES BY PURPOSE 2011-2015

(Per $100 EAV)

PURPOSE	2011	2012	2013	2014	2015	MAXIMUM RATE(1)
Educational Fund	$3.551260	$3.834507	$3.938040	$3.926048	$3.849430	$4.0000
Bond & Interest Fund	1.120107	1.178388	1.260737	1.314737	1.252867	None
Operation & Building Fund	0.748433	0.750000	0.744926	0.736134	0.750000	0.7500
IMRF	0.093158	0.101079	0.099539	0.070546	0.083670	None
Transportation	0.142367	0.154472	0.318909	0.188122	0.183200	None
Special Education	0.000000	0.000000	0.000000	0.274343	0.267170	0.8000
Social Security	0.078132	0.084776	0.082949	0.070546	0.083670	None
Total	$5.733457	$6.103222	$6.445100	$6.580476	$6.470007	

Source: Kane County Clerk's Office.

(1) "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates.

2011-2015 REPRESENTATIVE TOTAL TAX RATES

(Per $100 EAV)

TAXING AUTHORITY	2011	2012	2013	2014	2015
The District	$5.733457	$6.103222	$6.445100	$6.580476	$6.470007
The County	0.398980	0.433559	0.462292	0.468360	0.447884
Kane County Forest Preserve District	0.260923	0.271015	0.303868	0.312630	0.294354
Geneva Township	0.045747	0.047456	0.050453	0.051420	0.051060
Geneva Township Road District	0.023233	0.024101	0.025199	0.025680	0.025500
City of Geneva	0.646346	0.678332	0.726191	0.745890	0.747927
Geneva Park District	0.494853	0.526615	0.559493	0.566712	0.559914
Geneva Library District	0.316219	0.312881	0.348198	0.353980	0.350429
Community College District No. 516	0.470953	0.531163	0.580694	0.595432	0.587468
Total Representative Tax Rate*	$8.390711	$8.928344	$9.501488	$9.700580	$9.534543

Source: Kane County Clerk's Office.

*Based on the largest tax code in the District.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	2015 EAV	PERCENT OF DISTRICT'S TOTAL EAV
LPF Geneva Commons LLC	$34,415,407	2.67%
Delnor-Community Hospital	12,883,227	1.00%
In Retail Fund Randall Square LLC	8,130,796	0.63%
Ashford at Geneva LLC	7,074,417	0.55%
Lineage IL Geneva RE LLC	6,110,487	0.47%
Sfers Real Estate Corp. KK	5,979,791	0.46%
Aldi, Inc.	5,801,760	0.45%
Vista Investments, Inc.	5,535,355	0.43%
Wal-Mart Real Estate Business Trust	5,282,924	0.41%
Friendship Village of Mill Creek NFP	5,072,493	0.39%
	$96,286,657	7.46%

Source: Kane County Clerk's Office, except for taxpayer descriptions which are based on publicly available information available to the District.

The above taxpayers represent 7.46% of the District's $1,287,126,861 2015 EAV. 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 parcels and their valuations may not be included.

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue (the *"Department"*) from retailers within the City of Geneva. The table indicates the level of retail activity in said City.

YEAR(1)	STATE SALES TAX DISTRIBUTION(2)
2011	$4,622,529
2012	4,851,112
2013	4,880,475
2014	4,731,575
2015	4,969,955
2016(3)	1,098,997

Source: The Department.

(1) Calendar year reports ending December 31.

(2) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City of Geneva, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(3) Through March 31, 2016.

NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law (as hereinafter defined)) within the District for each of the last five levy years.

LEVY YEAR	NEW PROPERTY
2011	$ 9,086,307
2012	12,935,961
2013	10,078,075
2014	11,306,374
2015	13,160,987

Source: Kane County Clerk's Office.

LARGEST EMPLOYERS

Below is a listing of the largest employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Peacock Foods, LLC	Contract primary & secondary packaging services for consumer packaged goods companies in frozen, refrigerated & shelf-stable markets	Geneva	3,000
Fermi Research Alliance	High energy physics research laboratory	Batavia	1,700
Delnor Hospital	General hospital	Geneva	1,650
The District	K-12 education	Geneva	900
R. R. Donnelley & Sons Co.	Commercial & business form printing	St. Charles	860
Suncast Corp.	Plastic garden hose reels, sheds, patio deck boxes, snow shovels & lawn & garden sheds	Batavia	800
Omron Automotive Electronics, Inc.	Electronic automotive components	St. Charles	700
ALDI, Inc.	Corporate headquarters; retail grocery store chain	Batavia	500
Pheasant Run Resort	Hotel & convention center	St. Charles	500
AGCO Corp., Parts Div.	Distributor of farm equipment parts	Batavia	365
ARK Technologies, Inc.	Springs, stampings, wire forms, assemblies & wire harnesses	St. Charles	300
Burgess-Norton Mfg. Co.	Piston fins, powdered metal parts & soft magnetic composites	Geneva	300
Johnson Controls, Inc., Power Solutions Div.	Automobile batteries	Geneva	300
Power Packaging, Inc.	Contract packaging, assembling, blending, canning & pouch filling	Batavia	300
Smithfield Foods	Sausage & salami processing	St. Charles	300
Bison Gear & Engineering Corp.	Gearmotors, motors & reducers	St. Charles	250
Coca-Cola Refreshments USA, Inc.	Distributor of carbonated beverages	St. Charles	250
Compact Industries, Inc.	Vending & commercial concession food packaging	St. Charles	250
FONA International, Inc.	Natural & artificial flavorings for food & beverages	Geneva	250
Houghton Mifflin Harcourt	Wholesaler of K-12 school textbooks	Geneva	250

Source: 2016 Illinois Manufacturers Directory, 2016 Illinois Services Directory and the Illinois Department of Commerce and Economic Opportunity, except for District employee information which was provided by the District.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the City of Geneva, the County and the State.

	CITY OF GENEVA	THE COUNTY	THE STATE
2011 – Average	7.9%	9.8%	9.7%
2012 – Average	7.1%	8.9%	9.0%
2013 – Average	7.4%	8.7%	9.1%
2014 – Average	5.6%	8.1%	7.1%
2015 – Average	4.6%	5.8%	5.9%
2016 – Average (6 mos.)	N/A	6.3%	6.5%

Source: State of Illinois Department of Employment Security.

SPECIFIED OWNER-OCCUPIED UNITS

	THE DISTRICT		THE COUNTY	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT
Under $50,000	147	1.72%	3,922	3.07%
$50,000 to $99,999	51	0.60%	9,931	7.78%
$100,000 to $149,999	230	2.69%	18,530	14.52%
$150,000 to $199,999	646	7.56%	25,428	19.93%
$200,000 to $299,999	2,564	29.99%	34,677	27.17%
$300,000 to $499,999	3,931	45.98%	27,186	21.30%
$500,000 to $999,999	930	10.88%	7,033	5.51%
$1,000,000 or more	50	0.58%	907	0.71%
Total	8,549	100.00%	127,614	100.00%

	THE STATE	
VALUE	NUMBER	PERCENT
Under $50,000	243,163	7.61%
$50,000 to $99,999	508,867	15.93%
$100,000 to $149,999	525,634	16.45%
$150,000 to $199,999	533,202	16.69%
$200,000 to $299,999	663,672	20.77%
$300,000 to $499,999	486,000	15.21%
$500,000 to $999,999	188,718	5.91%
$1,000,000 or more	45,451	1.42%
Total	3,194,707	100.00%

Source: U.S. Census Bureau (2010-2014 American Community Survey).
Please note that totals may not equal 100.00% due to rounding.

EMPLOYMENT BY INDUSTRY

CLASSIFICATION	THE DISTRICT NUMBER	THE DISTRICT PERCENT	THE COUNTY NUMBER	THE COUNTY PERCENT
Agriculture, forestry, fishing, hunting and mining	46	0.31%	1,383	0.55%
Construction	541	3.67%	14,637	5.84%
Manufacturing	1,637	11.12%	41,777	16.67%
Wholesale Trade	730	4.96%	10,818	4.32%
Retail Trade	1,773	12.04%	29,307	11.69%
Transportation, warehousing and utilities	415	2.82%	12,534	5.00%
Information	434	2.95%	5,477	2.19%
Finance, insurance and real estate	1,505	10.22%	17,021	6.79%
Professional, scientific management administrative & waste management	2,121	14.40%	32,573	12.99%
Educational, health & social services	3,570	24.24%	47,543	18.97%
Arts, entertainment, recreations accommodations & food services	1,187	8.06%	20,511	8.18%
Other Services	361	2.45%	9,839	3.93%
Public Administration	406	2.76%	7,240	2.89%
Total	14,726	100.00%	250,660	100.00%

THE STATE

CLASSIFICATION	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	63,558	1.05%
Construction	308,760	5.12%
Manufacturing	756,747	12.55%
Wholesale Trade	181,855	3.01%
Retail Trade	663,401	11.00%
Transportation, warehousing and utilities	353,089	5.85%
Information	124,634	2.07%
Finance, insurance and real estate	442,091	7.33%
Professional, scientific management administrative & waste management	681,276	11.29%
Educational, health & social services	1,391,310	23.07%
Arts, entertainment, recreations accommodations & food services	544,222	9.02%
Other Services	288,596	4.78%
Public Administration	232,492	3.85%
Total	6,032,031	100.00%

Source: U.S. Census Bureau (2010-2014 American Community Survey).
Please note that totals may not equal 100.00% due to rounding.

EMPLOYMENT BY OCCUPATION

	THE DISTRICT		THE COUNTY	
CLASSIFICATION	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	7,761	52.70%	84,668	33.78%
Service occupations	1,548	10.51%	40,546	16.18%
Sales & office occupations	3,954	26.85%	65,530	26.14%
Natural resources, construction, & maintenance occupation	782	5.31%	18,296	7.30%
Production, transportation & material moving occupations	681	4.62%	41,620	16.60%
Total	14,726	100.0%	250,660	100.0%

	THE STATE	
CLASSIFICATION	NUMBER	PERCENT
Management, professional & related occupations	2,204,363	36.54%
Service occupations	1,048,478	17.38%
Sales & office occupations	1,500,220	24.87%
Natural resources, construction, & maintenance occupation	441,705	7.32%
Production, transportation & material moving occupations	837,265	13.88%
Total	6,032,031	100.0%

Source: U.S. Census Bureau (2010-2014 American Community Survey).
Please note that totals may not equal 100.00% due to rounding.

MEDIAN HOUSEHOLD INCOME

According to the U.S. Census Bureau, the District had a median household income of $101,081. This compares to $70,514 for the County and $57,166 for the State. The following table represents the distribution of household incomes for the District, the County and the State at the time of such survey.

	THE DISTRICT		THE COUNTY	
	NUMBER	PERCENT	NUMBER	PERCENT
Under $10,000	282	2.72%	6,850	4.00%
$10,000 to $14,999	274	2.64%	5,333	3.11%
$15,000 to $24,999	563	5.42%	13,167	7.69%
$25,000 to $34,999	566	5.45%	14,255	8.32%
$35,000 to $49,999	651	6.27%	20,547	11.99%
$50,000 to $74,999	1,312	12.64%	30,156	17.60%
$75,000 to $99,999	1,451	13.97%	24,168	14.11%
$100,000 to $149,999	2,084	20.07%	30,856	18.01%
$150,000 to $199,999	1,458	14.04%	13,496	7.88%
$200,000 or more	1,742	16.78%	12,488	7.29%
Total	10,383	100.00%	171,316	100.00%

	THE STATE	
	NUMBER	PERCENT
Under $10,000	341,784	7.15%
$10,000 to $14,999	218,422	4.57%
$15,000 to $24,999	479,384	10.03%
$25,000 to $34,999	455,890	9.54%
$35,000 to $49,999	614,706	12.86%
$50,000 to $74,999	852,342	17.84%
$75,000 to $99,999	612,247	12.81%
$100,000 to $149,999	671,103	14.04%
$150,000 to $199,999	265,693	5.56%
$200,000 or more	267,062	5.59%
Total	4,778,633	100.00%

Source: U.S. Census Bureau (2010-2014 American Community Survey).
Please note that totals may not equal 100.00% due to rounding.

PER CAPITA INCOME

	PER CAPITA INCOME
The District	$44,246
The County	30,645
The State	30,019

Source: U.S. Census Bureau (2010-2014 American Community Survey).

SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in the next six months.

DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the hereinafter defined Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed $.05 per hundred dollars of EAV (the *"Working Cash Fund Tax"*). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2011	$14,202,936
2012	14,202,936
2013	14,204,948
2014	14,259,991
2015	14,304,502

Source: Compiled from the District's Audited Financial Statements for Fiscal Years ending June 30, 2011-2015.

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 will be levied on all taxable real property within the District. 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.

TAX LEVY AND COLLECTION PROCEDURES

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. 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.

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 two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to $75,000 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.

The 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 $55,000 for assessment year 2008 and after. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) 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.

Beginning January 1, 2015 purchasers of certain single family homes and residences of one to six units located in certain distress communities can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The program will be phased out by June 30, 2029.

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 EAV 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.

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to $100,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, or the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time homestead exemption of $5,000.

Finally, 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 disabled persons who meet State-mandated guidelines.

Limitation Law

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

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes (such as the Bonds).

The District has the authority to levy taxes for many different purposes. See "School District Tax Rates by Purpose 2011-2015" above. The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State (the *"Property Tax Freeze Proposal"*). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may have a material impact on the finances of the District and the ability of the District to issue limited tax bonds. The District cannot predict whether, or in what form, any change to the Limitation Law, including the Property Tax Freeze Proposal, may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

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 District covenanted in the Bond Resolution that it will not take any action which would adversely affect the levy, extension, collection and application of the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it will comply with all present and future laws concerning the levy, extension and collection of such taxes levied by the District.

SCHOOL DISTRICT FINANCIAL PROFILE

As of the date of this Official Statement, the Illinois State Board of Education (*"ISBE"*) utilizes a system for assessing a school district's financial health referred to as the *"School District Financial Profile"* which replaced the Financial Watch List and Financial Assurance and Accountability System (FAAS). This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short-term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition*. A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.

- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.

- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the *"Original Score"*) and an adjusted financial profile score (the *"Adjusted Score"*). The Original Score is calculated based solely on such school district's audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district's audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district's actual and expected receipt of State Aid payments, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State Aid payments received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district's Adjusted Score based on the amount of time by which such State Aid payments are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district's Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State Aid payments.

The following table sets forth the District's Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in March of the year following the conclusion of each fiscal year):

Fiscal Year (June 30)	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2015	3.70	Recognition	3.70	Recognition
2014	3.70	Recognition	3.70	Recognition
2013	3.70	Recognition	3.70	Recognition
2012	3.70	Recognition	3.70	Recognition
2011	3.70	Recognition	3.70	Recognition

STATE AID

GENERAL

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such *"State Aid"* as a significant part of their budgets. For the fiscal year ended June 30, 2015, 5.73% of the District's General Fund revenue came from sources at the State, including State Aid. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

The General Assembly approved a full fiscal year 2017 budget for elementary and secondary education, including a $361 million increase over fiscal year 2016 levels. The budget appropriations, contained in Public Act 99-524, will provide funding for school districts that will fully cover the statutory foundation level of $6,119 per pupil and add another $250 million in equity grants directed at school districts with high concentration of poverty students. Mandated categorical grants will be funded at fiscal year 2016 levels and early childhood education will see an increase of $75 million over fiscal year 2016 levels.

Because of the General Assembly action, ISBE estimates the District will receive $99,043.59 more in State Aid during fiscal year 2017 than it received during fiscal year 2016.

Among the many provisions of the FY 2017 Stopgap Budget Implementation Act (Public Act 99-523), one provides that school districts whose Corporate Personal Property Replacement Tax (CPPRT) receipts total 15% or more of their total revenues will receive an additional 7% of the total amount distributed to the school district from CPPRT funds during fiscal year 2015. This is designed to backfill a school district's loss from any CPPRT sweeps as a result of the stopgap budget.

As for the rest of State government, the General Assembly approved a stopgap six-month budget. Though it only funds amounts through half of fiscal year 2017, this is the first budget that has been in place since June 30, 2015.

The State provides for four different types of State Aid, each of which is discussed in greater detail below. The four forms of State Aid are: (a) General State Aid, (b) Supplementary State Aid, (c) Categorical State Aid and (d) Competitive Grant Aid. The percentage of the District's State Aid derived from each of these categories is set forth in *Exhibit C.*

GENERAL STATE AID

General State financial aid (*"General State Aid"*) for Illinois school districts is computed beginning with the fiscal year commencing July 1. General State Aid makes up the difference between the available local resources per pupil (the *"Available Local Resources"*) and a foundation level (the *"Foundation Level"*). The Foundation Level is a figure established annually by the State's budget representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil determined in accordance with the average daily attendance, as such term is defined in the School Code. The Foundation Level has been established at $6,119 in each of the most recent five school years.

A district's Available Local Resources are determined by multiplying EAV by the calculation tax rate, which is established by statute. Currently, the calculation tax rate is 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. The product is added to revenue from the corporate personal property replacement tax, and the total is divided by the best three months average daily pupil attendance to arrive at the district's Available Local Resources per pupil. For districts subject to the hereinafter defined Limitation Law, Available Local Resources may be limited by such districts' extension limitation ratio, calculated in accordance with the School Code.

General State Aid makes up the difference between the Foundation Level and the Available Local Resources multiplied by the Average Daily Attendance (as defined in Section 18-8.05(C) of the School Code) (the *"ADA"*). The ADA equals the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best three months of pupil attendance for each school district. The attendance data used to calculate the ADA for the purpose of determining the amount of General State Aid is the greater of the (a) requisite attendance data for the school year immediately preceding the school year for which General State Aid is being calculated or (b) average of the requisite attendance data for the three preceding school years.

For any district with Available Local Resources of less than 93 percent of the Foundation Level, the entire deficiency in Available Local Resources as compared to the Foundation Level is awarded in General State Aid. Where Available Local Resources represent 93 to 175 percent of the foundation amount, State Aid is reduced on a sliding scale. Where a district has Available Local Resources representing 175 percent or more of the Foundation Level, the district receives a flat $218 per ADA.

Other factors important in determining a school district's aid include, but are not limited to, the following:

1. any applicable reductions in a district's EAV;

2. the number of special need students in a district;

3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;

4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;

5. the number of days the schools of the district are operating with students in attendance;

6. whether or not kindergarten students attend for full day or one-half day sessions;

7. whether the schools in the district are recognized by ISBE as meeting state-required standards for recognition; and

8. changes in enrollment.

While the Foundation Level has not been adjusted in recent years, the State budget for General State Aid prior to fiscal year 2017 was reduced. As such, the State was not able to fund fully the General State Aid formula and instead prorated the amount received by each District (ranging from 95% proration in fiscal year 2012 to 92% proration in fiscal year 2016). For fiscal year 2017, total General State Aid was increased to fully cover the General State Aid formula.

Many pieces of legislation have been introduced in the General Assembly or discussed by legislators to repeal or materially change the current General State Aid formula. The District cannot predict whether, or in what form, any change to the General State Aid formula will occur, nor can the District predict the effect of any such change on the District's future finances.

SUPPLEMENTARY STATE AID

In addition to General State Aid, districts with specified levels or concentrations of pupils from low-income households are eligible to receive supplemental general State aid financial grants (*"Supplemental General State Aid"*). Supplemental General State Aid is distributed to districts pursuant to a statutory formula based upon the number of low-income pupils in the district. The low-income pupil count is determined by the Department of Human Services based on the number of pupils eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. The amount of Supplemental General State Aid received by a district increases as the ratio of low-income pupils to the ADA increases.

MANDATED CATEGORICAL STATE AID

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as *"Mandated Categorical State Aid,"* are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. At present, the School Code provides for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition.

Though school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State's appropriation process. In the event that the State does not appropriate an amount sufficient to fund fully the Mandated Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are "mandatory" under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the Mandatory Categorical State Aid requirements. As such, the District's revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

COMPETITIVE GRANT STATE AID

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such *"Competitive Grant State Aid"* is not guaranteed to a school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is determined separately for each category of aid year-to-year based on the State's budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

The School Code provides numerous programs that qualify a school district for Competitive Grant State Aid. For fiscal year 2017, the largest Competitive Grant State Aid programs will be in Early Childhood Education and Bilingual Education, and the appropriations for these programs are approximately $442 million and $63.7 million, respectively.

PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, *"Categorical State Aid"*) in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State's fiscal year.

See *Exhibit C* for a summary of the District's general fund revenue sources.

RETIREMENT PLANS

The District participates in two defined benefit pension plans: (i) the Teachers' Retirement System of the State of Illinois (*"TRS"*), which provides retirement benefits to the District's teaching employees, and (ii) the Illinois Municipal Retirement Fund (the *"IMRF"* and, together with TRS, the *"Pension Plans"*), which provides retirement benefits to the District's non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the *"Pension Code"*). This section first describes certain concepts related to pensions generally, then describes the applicable provisions of TRS and the provisions of IMRF.

The following sections summarize certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 5 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

BACKGROUND REGARDING PENSION PLANS

The Actuarial Valuation

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards issued by the Governmental Accounting Standards Board (*"GASB"*), as described below.

In producing an actuarial valuation, the actuary for a Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

GASB Standards

Prior to the fiscal year ended June 30, 2015, the applicable GASB financial reporting standards with respect to the Pension Plans were GASB Statement No. 25 and GASB Statement No. 27 (together, the *"Prior GASB Standards"*). The Prior GASB Standards required the disclosure of an Annually Required Contribution (which was such pronouncement's method for calculating the annual amounts needed to fully fund a pension plan) and the calculation of pension funding statistics such as the unfunded actuarial accrued liability (*"UAAL"*), which was the shortfall of the assets held by the pension plan when compared against the liabilities of such pension plan, as actuarially determined (the *"Actuarial Accrued Liability"*), and the *"Funded Ratio,"* which was the ratio, expressed as a percentage, derived from dividing the assets of the pension plan by the Actuarial Accrued Liability. In addition, the Prior GASB Standards allowed pension plans to prepare financial reports pursuant to various approved actuarial methods and to use an assumed investment rate of return determined by the pension plan for financial reporting purposes.

Beginning with the fiscal year ended June 30, 2015, the applicable GASB financial reporting standards with respect to the Pension Plans became GASB Statement No. 67 and GASB Statement No. 68 (together, the *"New GASB Standards"*). Unlike the Prior GASB Standards, the New GASB Standards do not establish approaches to funding pension plans, and, therefore, do not require computation of the Annually Required Contribution or a similar contribution number. Instead, the New GASB Standards provide standards solely for financial reporting and accounting related to pension plans.

The New GASB Standards require calculation and disclosure of a *"Net Pension Liability"* or *"Net Pension Asset"*, which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the New GASB Standards (referred to in such statements as the *"Total Pension Liability"*) and the fair market value of the pension plan's assets (referred to as the *"Fiduciary Net Position"*). This concept is similar to the UAAL, which was calculated under the Prior GASB Standards, but most likely will differ from the UAAL on any calculation date because the Fiduciary Net Position is calculated at fair market value and because of the differences in the manner of calculating the Total Pension Liability as compared to the Actuarial Accrued Liability under the Prior GASB Standards.

Furthermore, the New GASB Standards employ a rate, referred to in such statements as the *"Discount Rate,"* which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan's investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the New GASB Standards. Therefore, in certain cases in which the assets of a pension plan are not expected to be sufficient to pay the projected benefits of such pension plan, the Discount Rate calculated pursuant to the New GASB Standards may differ from the assumed investment rate of return used in reporting pursuant to the Prior GASB Standards.

Finally, the New GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer. In addition, the New GASB Standards require an expense (the *"Pension Expense"*) to be recognized on the income statement of the City.

To allow the District to present year-over-year comparative information regarding the Pension Plans, the following sub-sections relating to TRS and IMRF, respectively, will present information for fiscal years 2013 and 2014 pursuant to the Prior GASB Standards, which were the applicable financial reporting standards for such fiscal years. Information relating to fiscal year 2015 will be presented pursuant to the New GASB Standards, which were the applicable financial reporting standards for such fiscal year.

Pension Plans Remain Governed by the Pension Code

As described above, each of the Prior GASB Standards and the New GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

The Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: http://trs.illinois.gov/pubs/cafr.htm.

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 5 to the Audit.

Employer Funding of Teachers' Retirement System

Under the Illinois Pension Code, teachers' employers (such as the District) were required to contribute 0.58% of each teacher's salary to TRS, and active members were required to contribute 9.4% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District. For the fiscal year ended June 30, 2015, the State contributions recognized by the District were based on the State's proportionate share of the collective Net Pension Liability associated with the District, and the District recognized revenue and expenditures of $11,846,017 in pension contributions from the State. The District contributed $208,643 to TRS during the fiscal year ended June 30, 2015.

For information regarding additional contributions the District may be required to make to TRS with respect to early retirement options and certain salary increases, see Note 5 to the Audit.

Cost Shifting Proposal

In an attempt to remedy severe under-funding of the State's retirement systems in 2012, then Governor Quinn proposed changes to the manner of funding of such retirement systems, including TRS, with the goal of reaching full funding by 2042. One proposed change would require school districts, including the District, to contribute the full amount of the normal cots of their employees' TRS pensions (the *"Cost Shifting Proposal"*). The Cost Shifting Proposal would phase in such contributions over the course of several years.

Discussions and deliberations on the complex topic of pension reform remain fluid. The District cannot predict whether, or in what form, the Cost Shifting Proposal may be introduced in the General Assembly or ultimately be enacted into law. Furthermore, it is possible that any future pension reform legislation that is passed by the General Assembly (including any legislation containing the Cost Shifting Proposal) could face court challenges.

If the Cost Shifting Proposal were to become law, it may have a material adverse effect on the finances of District. How local school districts, including the District, would pay for such shift of contributions cannot be determined at the current time. Property taxes to pay pension costs are capped by the Limitation Law. If such pension expenditures are not exempted from the Limitation Law, school districts (such as the District) would have to pay such additional contributions from revenues or reserves.

Recognition of Net Pension Liability and Pension Expense

As of June 30, 2015, the Net Pension Liability associated with the District was \$220,886,726, of which the District's proportionate share, which was reported as a liability by the District, was \$3,834,928, and the State's proportionate share was \$217,051,798. In addition, the District recognized Pension Expense of \$11,846,017 for fiscal year 2015, as well as \$11,846,017 in revenue as a result of the support provided by the State.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which 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 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 District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the *"IMRF Account"*) 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 Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF's website.

See Note 5 to the Audit for additional information on the IMRF's actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

Contributions

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 District's contribution rate for calendar year 2015 was 10.51% of covered payroll. For the calendar year ended December 31, 2015, the District contributed $1,052,030 to the IMRF Plan, which compares to contributions of $1,019,863 and $1,059,912 in calendar years 2014 and 2013, respectively.

Measures of Financial Position

As of December 31, 2014, the District's IMRF Account had a Total Pension Liability of $33,456,794 and a Fiduciary Net Position of $(30,538,463), which results in a Net Pension Asset of $2,918,331, based on the current Discount Rate of 7.5%. For the fiscal year ended June 30, 2015, the District recognized Pension Expense of $1,351,744, deferred outflows of resources (related to changes in assumptions, the difference between actual and projected earnings, and employer contributions subsequent to the measurement date) of $2,434,760, and deferred inflows of resources (consisting of differences between expected and actual experience) of $0.

With respect to the actuarial valuations performed as of December 31, 2012 and December 31, 2013, each of which were performed pursuant to the Prior GASB Standards, the IMRF Account had Funded Ratios of 89.59% and 71.07%, respectively, and UAALs of $2,088,998 and $6,471,746, respectively, with all such calculations being made with respect to the market value of the District's assets.

See Note 5 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the Actuary, and the financial reporting information required by the New GASB Standards.

TEACHER HEALTH INSURANCE SECURITY FUND

The District participates in the Teacher Health Insurance Security Fund (the "*THIS Fund"*), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For the fiscal year ended June 30, 2015, the District paid $273,394 to the THIS Fund, which was 100% of the required contribution. For more information regarding the District's THIS Fund obligation, see Note 6 to the Audit.

OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

The District administers a single-employer defined benefit healthcare plan (the *"Retirees Health Plan"*). The Retirees Health Plan provides health insurance contributions for eligible retirees through the District's group health insurance plan which covers both active and retired members. The District's annual other postemployment benefit (*"OPEB"*) cost is calculated based on the annual required contribution of the employer. For fiscal year ended June 30, 2015, the District had an annual OPEB cost of $69,626 and a net OPEB obligation of $262,927. For more information regarding the District's OPEB obligations, see Note 7 to the Audit.

BOND RATING

S&P has assigned the Bonds a rating of "___" (_____ Outlook). The rating reflects only the views of such organization and any explanation of the significance of such rating may only be obtained from the rating agency. Certain information concerning the Bonds and the District not included in this Official Statement may have been furnished to S&P by the District. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

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 therewith, and certain other matters. The District 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 District'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 District with respect to certain material facts within the District's knowledge and upon the mathematical computation of the yield on the Bonds and the yield on certain investments by the Verification Agent. 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 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 District 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 used in determining the alternative minimum tax for certain corporations under the Code, as described above; 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 Department 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 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 District 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 income taxes. Ownership of the Bonds may result in other 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.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the *"MSRB"*) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth below in "THE UNDERTAKING."

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District 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 District 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 District.

ANNUAL FINANCIAL INFORMATION DISCLOSURE

The District 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 District is required to deliver such information within 210 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2016. If Audited Financial Statements are not available when the Financial Information is filed, the District will submit Audited Financial Statements to EMMA within 30 days after availability to the District. 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 information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS
—Direct General Obligation Bonded Debt (Principal Only)
—Direct General Obligation Bonded Debt (Principal and Interest)
—Selected Financial Information (only as it relates to direct debt)
—Composition of Equalized Assessed Valuation
—Trend of Equalized Assessed Valuation
—Taxes Extended and Collected
—School District Tax Rates by Purpose
WORKING CASH FUND—Working Cash Fund Summary
Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Exhibit B—Official Budget
Exhibit C—General Fund Revenue Sources

"Audited Financial Statements" means the combined financial statements of the District prepared in accordance with accounting principles generally accepted in the United States of America.

REPORTABLE EVENTS DISCLOSURE

The District 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 *"Events"* are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, 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 material events affecting the tax status of the security
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the District*
- The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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
- 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 District 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 District, 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 District.

Consequences of Failure of the District to Provide Information

The District 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 District 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 District to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Resolution, and the sole remedy under the Undertaking in the event of any failure of the District to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the District by 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, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(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 beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

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 District 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 District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Resolution. The District 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 District 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 District 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 District 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 EMMA for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The District 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.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2015 (the *"Audit"*), contained in Appendix A, including the independent auditor's report accompanying the Audit, have been prepared by Klein Hall CPAs, Aurora, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Donna Oberg, Assistant Superintendent for Business Services of the District.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 Exchange Act. 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 an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the 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 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 Bonds may wish to take certain steps to augment 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 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 District 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 detailed information from the District or Registrar, 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, the Registrar, or the District, 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 District or the Registrar, 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 depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District 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 DTC, and the District takes no responsibility for the accuracy thereof.

The District 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.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (*"Chapman and Cutler"*), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. As Disclosure Counsel to the District Chapman and Cutler has assisted the District with certain disclosure matters, however, 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 Disclosure Counsel was undertaken to assist the District in discharging its responsibility with respect to this Official Statement, 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. Whitt Law LLC, Aurora, Illinois, will pass on certain matters for the District.

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 District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the *"Agreement"*) between the District and __________, Illinois (the *"Underwriter"*), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of principal amount if all Bonds are sold at the initial offering prices. 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.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of the adoption of the Bond Resolution, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/

President, Board of Education
Community Unit School District Number 304,
Kane County, Illinois

October __, 2016

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the District's 2016 budget. Exhibit C provides information on the general fund revenue sources of the District.

EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2011-2015

	GENERAL FUND[1]	SPECIAL REVENUE[2]	DEBT SERVICE	CAPITAL PROJECTS[3]	MEMORANDUM TOTAL
Beginning Balance	$35,251,815	$8,387,959	$2,625,886	$ 0	$46,265,660
Revenues	73,497,527	6,463,999	14,095,728	0	94,057,254
Expenditures	69,108,554	10,246,211	13,243,016	0	92,597,781
Net Transfers	4,168	(2,734)	(1,434)	0	0
Other Sources (Uses)	0	206,739	0	0	206,739
Ending Balance June 30, 2011	$39,644,956	$4,809,752	$3,477,164	$ 0	$47,931,872
Beginning Balance	$39,644,956	$4,809,752	$3,477,164	$ 0	$47,931,872
Revenues	77,490,897	6,329,303	15,030,203	0	98,850,403
Expenditures	70,852,273	5,333,343	14,608,195	0	90,793,811
Net Transfers	(3,219,059)	(3,077)	3,222,136	0	0
Other Sources (Uses)	0	3,474,841	99,720	0	3,574,561
Ending Balance June 30, 2012	$43,064,521	$9,277,476	$7,221,028	$ 0	$59,563,025
Beginning Balance	$43,064,521	$9,277,476	$7,221,028	$ 0	$59,563,025
Revenues	79,413,504	6,469,397	15,213,954	0	101,096,855
Expenditures	74,592,394	9,669,596	15,940,560	0	100,202,550
Net Transfers	(4,979,144)	(3,116)	4,982,260	0	0
Other Sources (Uses)	0	177,992	0	0	177,992
Ending Balance June 30, 2013	$42,906,487	$6,252,153	$11,476,682	$ 0	$60,635,322
Beginning Balance	$42,906,487	$6,252,153	$11,476,682	$ 0	$60,635,322
Revenues	79,563,065	7,256,894	15,172,559	0	101,992,518
Expenditures	78,934,589	7,118,949	17,287,568	0	103,341,106
Net Transfers	(5,931,638)	0	5,931,638	0	0
Other Sources (Uses)	0	1,998,044	0	0	1,998,044
Ending Balance June 30, 2014	$37,603,325	$8,388,142	$15,293,311	$ 0	$61,284,778
Beginning Balance	$37,603,325	$8,388,142	$15,293,311	$ 0	$61,284,778
Revenues	82,918,012	6,261,151	16,210,266	0	105,389,429
Expenditures	79,874,321	8,232,883	18,717,360	0	106,824,564
Net Transfers	(1,618,787)	(1,900,000)	3,518,787	0	0
Other Sources (Uses)	0	1,713,587	0	0	1,713,587
Ending Balance June 30, 2015	$39,028,229	$6,229,997	$16,305,004	$ 0	$61,563,230

Source: The audited financial statements of the District for the years ending June 30, 2011 - June 30, 2015.
(1) Includes the Educational Fund, the Working Cash Fund and the Operations and Maintenance Fund.
(2) Includes the Transportation Fund, the Tort Fund and the IMRF Fund.
(3) Includes the Site and Construction Fund and the Fire Prevention and Safety Fund.

EXHIBIT B — BUDGET VERSUS ESTIMATED ACTUAL, FISCAL YEAR ENDED JUNE 30, 2016

	2015-2016 BUDGET	ESTIMATED ACTUAL	DIFFERENCE
REVENUES:			
General Fund[(1)]	$71,978,444	$ 71,545,293	$ 433,151
Special Revenue Fund[(2)]	6,068,725	6,295,788	(227,063)
Debt Service Fund	16,315,000	21,899,775	(5,584,775)
Capital Projects Fund[(3)]	0	0	0
TOTAL	$94,362,169	$99,740,856	$(5,378,687)
EXPENDITURES:			
General Fund	$ 71,176,633	$68,355,534	$2,821,099
Special Revenue Fund	7,882,645	8,988,376	(1,105,731)
Debt Service Fund	21,976,940	20,277,550	1,699,390
Capital Projects Fund	0	0	0
TOTAL	$101,036,218	$97,621,460	$3,414,758

Source: The District.

(1) Includes the Educational Fund, the Working Cash Fund and the Operations and Maintenance Fund.

(2) Includes the Transportation Fund, the Tort Fund and the IMRF Fund.

(3) Includes the Site and Construction Fund and the Fire Prevention and Safety Fund.

EXHIBIT C — GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDED JUNE 30, 2011-2015

	YEAR ENDED JUNE 30, 2011	YEAR ENDED JUNE 30, 2012	YEAR ENDED JUNE 30, 2013	YEAR ENDED JUNE 30, 2014	YEAR ENDED JUNE 30, 2015
Local Sources	89.61%	90.76%	90.84%	91.55%	92.00%
State Sources:					
— General Aid	3.54%	3.20%	2.96%	3.11%	2.92%
— Supplementary General Aid	0.00%	0.00%	0.00%	0.00%	0.00%
— Mandated Categorical	3.19%	2.93%	3.60%	3.09%	2.73%
— Other State Sources	0.27%	0.09%	0.07%	0.21%	0.08%
Total State Sources	6.99%	6.22%	6.63%	6.41%	5.73%
Federal Sources	3.39%	3.02%	2.53%	2.03%	2.27%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The annual financial reports of the District for the years ending June 30, 2011-June 30, 2015. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of Community Unit School District Number 304, Kane County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Refunding School Bonds, Series 2016 (the *"Bonds"*), to the amount of $__________, dated ____________, 2016, due serially on January 1 of the years and in the amounts and bearing interest as follows:

2026	$	%
2027		%
2028		%
2029		%
2030		%

the Bonds due on or after January 1, 20__, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on January 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same 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.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, 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 alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible 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. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Causey Demgen & Moore P.C., Denver, Colorado.

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 this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. 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 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.