

SUPPLEMENT
Dated: September 28, 2020

to

TO OFFICIAL STATEMENT
Dated: September 15, 2020

RELATING TO

\$86,485,000
PROSPER INDEPENDENT SCHOOL DISTRICT
(A political subdivision of the State of Texas located in Collin and Denton Counties, Texas)
Unlimited Tax Refunding Bonds, Taxable Series 2020

Please be advised that the referenced Official Statement relating to the captioned obligations (the "Bonds") is hereby supplemented and/or amended in the following manner.

Footnote 2 under Debt Service Requirements on Page A-6 of Appendix A has been revised to correct the interest rate assumptions for the District's Series 2019B Adjustable Rate Bonds that are used in the preceding Debt Service Requirements table. That footnote now reads as follows:

(2) Interest on the Series 2019B Adjustable Rate Bonds is calculated at the Initial Rate of 2.00%, through August 14, 2023, and for purposes of illustration, assumed to remain at 2.00% thereafter through stated maturity which is consistent with the District's planning estimate. The Highest Rate that the bond interest rate could reset to, commencing or after August 15, 2023, is 8.00%.

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DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 8/31	Outstanding Debt Service ^{(1) (2) (3)}	Less:	Plus:			Combined Total ^{(1) (2) (3) (4)}
		Refunded Bonds	The Series 2020 Taxable Bonds			
			Principal	Interest	Total	
2020	\$ 50,371,524.17	\$ -	\$ -	\$ -	\$ -	\$ 50,371,524.17
2021	56,605,837.50	3,117,587.50	1,275,000.00	1,242,311.63	2,517,311.63	56,005,561.63
2022	57,333,412.50	3,477,587.50	1,315,000.00	1,482,901.08	2,797,901.08	56,653,726.08
2023	57,322,262.50	3,375,387.50	1,215,000.00	1,478,498.00	2,693,498.00	56,640,373.00
2024	57,316,287.50	3,365,087.50	1,210,000.00	1,472,673.65	2,682,673.65	56,633,873.65
2025	57,306,837.50	4,256,887.50	2,115,000.00	1,462,489.03	3,577,489.03	56,627,439.03
2026	57,305,562.50	4,254,287.50	2,130,000.00	1,445,923.71	3,575,923.71	56,627,198.71
2027	57,304,987.50	4,260,312.50	2,155,000.00	1,425,328.03	3,580,328.03	56,625,003.03
2028	57,303,637.51	3,969,590.63	1,885,000.00	1,402,851.18	3,287,851.18	56,621,898.06
2029	57,303,256.27	5,771,918.76	3,725,000.00	1,366,515.23	5,091,515.23	56,622,852.74
2030	57,305,771.89	7,860,168.76	5,880,000.00	1,299,750.00	7,179,750.00	56,625,353.13
2031	57,306,193.76	6,622,218.76	4,720,000.00	1,222,125.00	5,942,125.00	56,626,100.00
2032	57,307,056.26	6,619,106.26	4,790,000.00	1,147,977.05	5,937,977.05	56,625,927.05
2033	57,302,193.76	6,621,443.76	4,870,000.00	1,068,557.85	5,938,557.85	56,619,307.85
2034	57,302,253.13	6,620,903.13	4,955,000.00	983,599.48	5,938,599.48	56,619,949.48
2035	57,305,062.50	6,615,087.50	5,040,000.00	892,677.96	5,932,677.96	56,622,652.96
2036	57,305,268.75	6,618,118.75	5,140,000.00	795,484.86	5,935,484.86	56,622,634.86
2037	57,303,787.50	6,619,962.50	5,250,000.00	691,089.81	5,941,089.81	56,624,914.81
2038	57,304,662.50	6,615,212.50	5,355,000.00	580,840.33	5,935,840.33	56,625,290.33
2039	57,305,068.75	6,618,593.75	5,475,000.00	465,482.23	5,940,482.23	56,626,957.23
2040	57,304,368.75	6,615,943.75	5,590,000.00	344,527.41	5,934,527.41	56,622,952.41
2041	57,304,906.25	6,617,906.25	5,720,000.00	217,493.36	5,937,493.36	56,624,493.36
2042	57,302,906.25	6,618,956.25	5,855,000.00	85,480.48	5,940,480.48	56,624,430.48
2043	57,303,075.00	1,509,600.00	820,000.00	9,352.10	829,352.10	56,622,827.10
2044	52,541,825.00					52,541,825.00
2045	52,541,275.00					52,541,275.00
2046	52,538,050.00					52,538,050.00
2047	49,793,075.00					49,793,075.00
2048	38,165,250.00					38,165,250.00
2049	25,439,625.00					25,439,625.00
2050	14,957,400.00					14,957,400.00
	<u>\$ 1,653,712,680.50</u>	<u>\$ 124,641,868.81</u>	<u>\$ 86,485,000.00</u>	<u>\$ 22,583,929.46</u>	<u>\$ 109,068,929.46</u>	<u>\$ 1,638,139,741.15</u>

(1) Includes the accreted value of outstanding capital appreciation bonds.
(2) Interest on the Series 2019B Adjustable Rate Bonds is calculated at the Initial Rate of 2.00%, through August 14, 2023, and for purposes of illustration, assumed to remain at 2.00% thereafter through stated maturity which is consistent with the District's planning estimate. The Highest Rate that the bond interest rate could reset to, commencing or after August 15, 2023, is 8.00%.
(3) Principal payments on the Series 2019B Adjustable Rate Bonds in years 2044 through 2050 represents mandatory sinking fund payments for a term bond maturing on February 15, 2050.
(4) Based on its wealth per student, the District does not expect to receive Instructional Allotment nor Existing Debt Allotment state financial assistance for the payment of debt service for the fiscal year 2019/20. The amount of state financial assistance for debt service, if any, may differ substantially each year depending on a variety of factors, including the amount, if any, appropriated for that purpose by the state legislature and a school district's wealth per student. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" in the Official Statement.

TAX ADEQUACY WITH RESPECT TO THE DISTRICT'S BONDS

Projected Maximum Debt Service Requirement ⁽¹⁾	\$ 56,653,726.08
Projected State Financial Assistance for Hold Harmless of Increased Homestead Exemption ⁽²⁾	250,000.00
Projected Net Debt Service Requirement	\$ 56,403,726.08
\$0.52069 Tax Rate @ 99% Collections Produces ⁽³⁾	\$ 56,403,726.08
2020/21 Preliminary Net Taxable Valuation	\$ 10,941,904,170

(1) Excludes the Refunded Bonds and includes the Series 2020 Taxable Bonds. Excludes the accreted value of outstanding capital appreciation bonds.
(2) The amount of state financial assistance for debt service, if any, may differ substantially each year depending on a variety of factors, including the amount, if any, appropriated for that purpose by the state legislature and a school district's wealth per student. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM."
(3) The District has utilized State tier one funds to pass the Attorney General's 50-cent Test with respect to the Bonds issued for new construction purposes that are subject to the test. Because the District uses State tier one funds to pass the test, under current law it must credit State assistance payments (including any tier one State funding used to demonstrate the District's ability to pass the \$0.50 bond issuance test) to the District's interest and sinking fund each year in an amount equal to the amount used by the District to demonstrate its ability to comply with the \$0.50 test, and the District may not adopt its annual interest and sinking fund tax rate until such amount of State funding has been credited to the District's interest and sinking fund. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM - State Funding for Local School Districts", "DEBT LIMITATIONS" and "TAX RATE LIMITATIONS."

AUTHORIZED BUT UNISSUED BONDS

Following the issuance of the Series 2020 Taxable Bonds, the District will have \$452,534.35 of remaining authorized but unissued unlimited ad valorem tax bonds from the May 10, 2014 election and will have \$1,182,000,000 of authorized but unissued unlimited ad valorem tax bonds from the May 4, 2019 election. The bond election represents a multi-year debt issuance plan for the purposes of school facilities in the District, including the purchase of new school buses and the purchase of necessary sites for school buildings. The District will need to continue to have tax base growth to have capacity to issue bonds and stay within the \$0.50 threshold test for school construction bonds, as required by the Texas Education Code. The District may incur other financial obligations payable from its collection of taxes and other sources of revenue, including maintenance tax notes payable from its collection of maintenance taxes, public property finance contractual obligations, delinquent tax notes, and leases for various purposes payable from State appropriations and surplus maintenance taxes.