

SUPPLEMENT
Dated: September 28, 2020

to

TO OFFICIAL STATEMENT
Dated: August 5, 2020

RELATING TO

\$44,740,000
PROSPER INDEPENDENT SCHOOL DISTRICT
(A political subdivision of the State of Texas located in Collin and Denton Counties, Texas)
Unlimited Tax School Building Bonds, 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 and Footnote 3 under Debt Service Requirements on Page A-6 of Appendix A have been revised. Footnote (2) was revised to correct the interest rate assumptions for the District's Series 2019B Adjustable Rate Bonds as shown in the preceding Debt Service Requirements table and footnote (3) was revised to make a corresponding change to the 2019B series designation. Those footnotes now read 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%.

(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.

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DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 8/31	Outstanding Debt Service ^{(1) (2) (3)}	Plus: The Series 2020 Bonds ⁽⁴⁾			Combined Total ^{(1) (2) (3) (4) (5)}
		Principal	Interest	Total	
2020	\$ 50,371,524.17	\$ -	\$ -	\$ -	\$ 50,371,524.17
2021	54,723,037.50	-	1,882,800.00	1,882,800.00	56,605,837.50
2022	54,724,237.50	745,000.00	1,864,175.00	2,609,175.00	57,333,412.50
2023	54,574,837.50	925,000.00	1,822,425.00	2,747,425.00	57,322,262.50
2024	54,576,112.50	965,000.00	1,775,175.00	2,740,175.00	57,316,287.50
2025	54,571,037.50	1,010,000.00	1,725,800.00	2,735,800.00	57,306,837.50
2026	54,571,512.50	1,060,000.00	1,674,050.00	2,734,050.00	57,305,562.50
2027	54,580,062.50	1,105,000.00	1,619,925.00	2,724,925.00	57,304,987.50
2028	54,575,462.51	1,165,000.00	1,563,175.00	2,728,175.00	57,303,637.51
2029	54,579,706.27	1,220,000.00	1,503,550.00	2,723,550.00	57,303,256.27
2030	54,735,846.89	1,125,000.00	1,444,925.00	2,569,925.00	57,305,771.89
2031	54,728,093.76	1,185,000.00	1,393,100.00	2,578,100.00	57,306,193.76
2032	54,732,256.26	1,230,000.00	1,344,800.00	2,574,800.00	57,307,056.26
2033	54,732,493.76	1,275,000.00	1,294,700.00	2,569,700.00	57,302,193.76
2034	54,734,553.13	1,325,000.00	1,242,700.00	2,567,700.00	57,302,253.13
2035	54,731,562.50	1,385,000.00	1,188,500.00	2,573,500.00	57,305,062.50
2036	54,728,368.75	1,445,000.00	1,131,900.00	2,576,900.00	57,305,268.75
2037	54,735,687.50	1,495,000.00	1,073,100.00	2,568,100.00	57,303,787.50
2038	54,732,662.50	1,560,000.00	1,012,000.00	2,572,000.00	57,304,662.50
2039	54,731,768.75	1,625,000.00	948,300.00	2,573,300.00	57,305,068.75
2040	54,732,368.75	1,690,000.00	882,000.00	2,572,000.00	57,304,368.75
2041	54,731,906.25	1,760,000.00	813,000.00	2,573,000.00	57,304,906.25
2042	54,731,706.25	1,830,000.00	741,200.00	2,571,200.00	57,302,906.25
2043	54,731,575.00	1,905,000.00	666,500.00	2,571,500.00	57,303,075.00
2044	49,968,125.00	1,985,000.00	588,700.00	2,573,700.00	52,541,825.00
2045	49,968,575.00	2,065,000.00	507,700.00	2,572,700.00	52,541,275.00
2046	49,964,650.00	2,150,000.00	423,400.00	2,573,400.00	52,538,050.00
2047	47,222,375.00	2,235,000.00	335,700.00	2,570,700.00	49,793,075.00
2048	35,590,850.00	2,330,000.00	244,400.00	2,574,400.00	38,165,250.00
2049	22,865,325.00	2,425,000.00	149,300.00	2,574,300.00	25,439,625.00
2050	12,387,000.00	2,520,000.00	50,400.00	2,570,400.00	14,957,400.00
	<u>\$ 1,576,065,280.50</u>	<u>\$ 44,740,000.00</u>	<u>\$ 32,907,400.00</u>	<u>\$ 77,647,400.00</u>	<u>\$ 1,653,712,680.50</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) Includes accrued interest in the amount of \$62,760.00.
(5) 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 2020/21. 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⁾	\$ 57,333,412.50
Projected State Financial Assistance for Hold Harmless of Increased Homestead Exemption ⁽²⁾	250,000.00
Projected Net Debt Service Requirement	\$ 57,083,412.50
 \$0.52697 Tax Rate @ 99% Collections Produces ⁽³⁾	 \$ 57,083,412.50
 2020/21 Preliminary Net Taxable Valuation	 \$ 10,941,904,170

(1) Includes the Series 2020 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 Bonds, the District 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.