



FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of June 30, 2017)

Table with 2 columns: Description and Amount. Rows include Net Taxable Assessed Valuation, New Debt, Outstanding Debt, GO Debt payable from Ad Valorem Taxes, Less: I&S Fund, and Net Debt.

(a) Unaudited.
(b) Texas School Districts may receive funds from the State of Texas to offset capital debt expenses. The District expects to receive 5.96% of the August 31, 2017-2018 annual debt service requirement from State Aid. These funds are subject to change and are recalculated each year.

Net Debt Per Net Taxable Assessed Valuation - 4.69%
Net Debt Per Sq mile - \$6,860,294.87
Net Debt Per Capita - \$2,934.34
Net Debt Per ADA - \$16,611.51

Net Taxable Assessed Valuation Per Capita - \$62,630.22
Net Taxable Assessed Valuation Per ADA - \$354,554.05
2009-2010 ADA-11,941; 2010 Pop Est-69,065
2017-2018 ADA-12,150; 2018 Pop Est-68,782
Area: 29.42 Sq mile

PAYMENT RECORD: Never defaulted.

TAX DATA

Table with 6 columns: Tax Year, A.V., Tax Rate, Adjusted Levy, % Collected within FY, Total % Collected as of 06/30/2016(a). Rows for years 2011 through 2017.

(a) Delinquent tax collections are allocated to the respective years in which the taxes are levied.
(b) Unaudited.

Table with 5 columns: Tax Rate Distribution, 2017*, 2016, 2015, 2014. Rows for Operations, I&S, and Totals.

* Anticipated.

MAINTENANCE TAX LIMITATION: The maximum voted maintenance ("M&O") tax rate for the District is \$1.50 per \$100 assessed valuation as approved by the voters at an election held in the District on 10/12/1957 pursuant to the provisions of Art. 2784e-1, Texas Revised Civil Statutes annotated, as amended. Article 2784e-1 provides for a reduction to the District's maximum M&O tax rate of \$0.10 for each one percent (1%) or major fraction thereof increase in bonded indebtedness beyond seven percent (7%) of assessed valuation of property in the District. This limitation is capped when the District's bonded indebtedness is

ten percent (10%) (or greater) of the District's assessed valuation, which would result in an annual maximum M&O tax rate of \$1.20. For any fiscal year beginning with the 2006-2007 fiscal year, the maximum M&O tax rate per \$100 of assessed valuation that may be adopted by the District may not exceed the lesser of (A) \$1.50, or such lower maximum rate as described in the preceding sentence, and (B) the sum of (1) the rate of \$0.17, and (2) the product of the "state compression percentage" multiplied by \$1.50.

DETAILS OF OUTSTANDING DEBT

Details of Unlimited Tax Debt (Outstanding 6/30/2017)

U/L Tax Ref Bds Ser 2005

Tax Treatment: Tax Exempt
Original Issue Amount \$47,166,096.00
Dated Date: 09/15/2005
Sale Date: 09/26/2005
Delivery Date: 10/20/2005
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays (CIBs) Semi-Annually: 08/15, 02/15
1st Coupon Date: (CIBs) 02/15/2006

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: RBC Dain Rauscher Inc., Dallas, TX
Lead Manager: Morgan Keegan & Co., Inc.
Co-Manager: Coastal Securities
Co-Manager: Southwest Securities
Co-Manager: UBS Financial Services Inc.

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:
U/L Tax Sch Bldg & Ref Bds Ser 2001B

Table with 6 columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Rows for various maturity dates from 2020 to 2028.

* Partial Maturity

Premium Capital Appreciation Bonds

Table with 5 columns: Maturity, Mat Value, Coupon, Orig Reoffering Price/Yield, Original Principal. Rows for maturities 02/15/2020, 02/15/2021, 02/15/2022.

Call Option: Non Callable

Refunded Notes: Maturities refunded by cash

Table with 5 columns: Refunded On, Refunded Amt, Maturity, Coupon, Price, Call Date. Row for 02/15/2015.

Maturities refunded by U/L Tax Ref Bds Taxable Ser 2013-B

Table with 6 columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Rows for maturities 02/15/2023 and 02/15/2024.

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| | | | | |
|--------------|------------|-------|-----|------------|
| 8,670,000.00 | 02/15/2025 | 5.000 | Par | 02/15/2015 |
| 9,110,000.00 | 02/15/2026 | 5.000 | Par | 02/15/2015 |

Maturities refunded by U/L Tax Ref Bds Ser 2014

| Refunded Amount | Mat Date | Coupon | Price | Sched Call |
|-----------------|------------|--------|-------|------------|
| 9,600,000.00* | 02/15/2028 | 4.500 | Par | 02/15/2015 |

Maturities refunded by U/L Tax Ref Bds Ser 2015

| Refunded Amount | Mat Date | Coupon | Price | Sched Call |
|-----------------|------------|--------|-------|------------|
| 1,200,000.00** | 02/15/2028 | 4.500 | Par | 02/15/2016 |

* Partial Maturity
** Remainder

U/L Tax Ref Bds Ser 2006

| | |
|-------------------------|-----------------------------|
| Tax Treatment: | Tax Exempt |
| Original Issue Amount | \$71,105,909.00 |
| Dated Date: | 04/01/2006 |
| Sale Date: | 04/06/2006 |
| Delivery Date: | 05/11/2006 |
| Sale Type: | Negotiated |
| Record Date: | MSRB |
| Bond Form: | BE |
| Denomination | \$5,000 |
| Interest pays (CIBs) | Semi-Annually: 02/15, 08/15 |
| 1st Coupon Date: (CIBs) | 08/15/2006 |

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: RBC Capital Markets, Dallas, TX
Lead Manager: Morgan Keegan & Co., Inc.
Co-Manager: Coastal Securities
Co-Manager: First Southwest Company
Co-Manager: Southwest Securities

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased portion(s) of mty(s) 02/15/2013 - 02/15/2017 and 02/15/2019 (\$6,870,000) of U/L Tax Sch Bldg & Ref Bds Ser 99 @ par.
This issue defeased portion(s) of mty(s) 02/15/2032 (\$52,005,000) of U/L Tax Sch Bldg & Ref Bds Ser 2001B @ par.
This issue defeased portion(s) of mty(s) 02/15/2016 - 02/15/2019 (\$12,230,908.65) of U/L Tax Sch Bldg & Ref Bds Ser 2001B @ accreted value.

Premium Capital Appreciation Bonds

| Maturity | Mat Value | Coupon | Orig Reoffering Price/Yield | Original Principal |
|------------|--------------|---------|-----------------------------|---------------------|
| 02/15/2018 | 8,380,000.00 | 0.0000% | 4.650% | 2,700,000.00 |
| 02/15/2019 | 650,000.00 | 0.0000% | 4.680% | 355,000.00 |
| | | | | -----\$3,055,000.00 |

Call Option: Non Callable

Refunded Notes: Maturities refunded by U/L Tax Ref Bds Ser 2015

| Refunded Amount | Mat Date | Coupon | Price | Sched Call |
|-----------------|------------|--------|-------|------------|
| 7,930,000.00 | 02/15/2019 | 5.000 | Par | 02/15/2016 |
| 65,000.00 | 02/15/2020 | 4.375 | Par | 02/15/2016 |
| 70,000.00 | 02/15/2021 | 4.500 | Par | 02/15/2016 |
| 75,000.00 | 02/15/2022 | 4.500 | Par | 02/15/2016 |
| 75,000.00 | 02/15/2023 | 4.500 | Par | 02/15/2016 |
| 80,000.00 | 02/15/2024 | 4.500 | Par | 02/15/2016 |
| 85,000.00 | 02/15/2025 | 4.625 | Par | 02/15/2016 |
| 90,000.00 | 02/15/2026 | 4.625 | Par | 02/15/2016 |
| 95,000.00 | 02/15/2027 | 4.625 | Par | 02/15/2016 |
| 19,410,000.00 | 02/15/2029 | 4.625 | Par | 02/15/2016 |

| | | | | |
|---------------|------------|-------|-----|------------|
| 32,325,000.00 | 02/15/2032 | 4.750 | Par | 02/15/2016 |
|---------------|------------|-------|-----|------------|

U/L Tax Ref Bds Ser 2011

| | |
|-------------------------|-----------------------------|
| Tax Treatment: | Bank Qualified |
| Original Issue Amount | \$9,125,000.00 |
| Dated Date: | 11/01/2011 |
| Sale Date: | 10/21/2011 |
| Delivery Date: | 11/22/2011 |
| Sale Type: | Negotiated |
| Record Date: | MSRB |
| Bond Form: | BE |
| Denomination | \$5,000 |
| Interest pays (CIBs) | Semi-Annually: 08/15, 02/15 |
| 1st Coupon Date: (CIBs) | 02/15/2012 |

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: RBC Capital Markets, Dallas, TX
Lead Manager: Piper Jaffray & Co.
Co-Manager: First Public LLC
Co-Manager: Morgan Keegan & Co., Inc.
Underwriter's Counsel: Vinson & Elkins L.L.P.

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased remainder of mty(s) 2/15/2013-2/15/2019 of U/L Tax Sch Bldg & Ref Bds Ser 99 @ par.
This issue defeased remainder of mty(s) 2/15/2016-2/15/2024 of U/L Tax Sch Bldg & Ref Bds Ser 2001B @ accreted value.
This issue defeased remainder of mty(s) 2/15/2032 of U/L Tax Sch Bldg & Ref Bds Ser 2001B @ par.
This issue defeased \$145,000.00 of 2/15/2018, \$320,000.00 of 2/15/2019, \$690,000.00 of 2/15/2020, \$350,000.00 of 2/15/2021, \$955,000.00 of 2/15/2026, \$1,185,000.00 of 2/15/2031, \$4,860,000.00 of 2/15/2033 of U/L Tax Sch Bldg & Ref Bds Ser 2003 @ par.

Current Interest Bonds

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|---------------------|--------------|---------|-----------------------------|
| 02/15/2018 | 280,000.00 | 3.0000% | 1.800% |
| 02/15/2021 | 410,000.00 | 3.0000% | 2.300% |
| 02/15/2023T | 480,000.00 | 3.5000% | 2.500% |
| 02/15/2026T | 645,000.00 | 4.0000% | 2.850% |
| 02/15/2029T | 805,000.00 | 3.1250% | 3.150% |
| 02/15/2031T | 625,000.00 | 3.2500% | 3.320% |
| 02/15/2032 | 4,860,000.00 | 3.3750% | 100.00% |
| -----\$8,105,000.00 | | | |

Premium Capital Appreciation Bonds

| Maturity | Mat Value | Coupon | Orig Reoffering Price/Yield | Original Principal |
|-------------------|------------|---------|-----------------------------|--------------------|
| 02/15/2019 | 455,000.00 | 0.0000% | 2.800% | 120,000.00 |
| 02/15/2020 | 765,000.00 | 0.0000% | 3.000% | 175,000.00 |
| -----\$295,000.00 | | | | |

Call Option: Current Interest Bonds: Bonds maturing on 02/15/2032 and term bonds maturing on 02/15/2023 and 02/15/2026 and 02/15/2029 and 02/15/2031 callable in whole or in part on any date beginning 02/15/2022 @ par.

CABs: Non-callable

Term Call: Term bonds maturing on 02/15/2023:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 02/15/2022 | \$235,000 |
| 02/15/2023 | \$245,000 |

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Term bonds maturing on 02/15/2026:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 02/15/2024 | \$215,000 |
| 02/15/2025 | \$215,000 |
| 02/15/2026 | \$215,000 |

Term bonds maturing on 02/15/2029:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 02/15/2027 | \$225,000 |
| 02/15/2028 | \$280,000 |
| 02/15/2029 | \$300,000 |

Term bonds maturing on 02/15/2031:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 02/15/2030 | \$305,000 |
| 02/15/2031 | \$320,000 |

U/L Tax Ref Bds Ser 2012

Tax Treatment: Bank Qualified
 Original Issue Amount \$9,225,000.00
 Dated Date: 02/15/2012
 Sale Date: 01/25/2012
 Delivery Date: 03/01/2012
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 02/15, 08/15
 1st Coupon Date: 08/15/2012

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: McCall Parkhurst & Horton L.L.P.
 Financial Advisor: RBC Capital Markets, Dallas, TX
 Lead Manager: Piper Jaffray & Co./First Public LLC
 Co-Manager: Morgan Keegan & Co., Inc.
 Underwriter's Counsel: Bracewell & Giuliani

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased \$9,400,000.00 of 2/15/2033 of U/L Tax Sch Bldg & Ref Bds Ser 2003 @ par.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|---------------------|--------------|---------|-----------------------------|
| 02/15/2025T | 200,000.00 | 3.0000% | 2.150% |
| 02/15/2033 | 9,025,000.00 | 4.0000% | 3.100% |
| -----\$9,225,000.00 | | | |

Call Option: Bonds maturing on 02/15/2033 and term bonds maturing on 02/15/2025 callable in whole or in part on any date beginning 02/15/2022 @ par.

Term Call: Term bonds maturing on 02/15/2025:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 02/15/2022 | \$50,000 |
| 02/15/2023 | \$50,000 |
| 02/15/2024 | \$50,000 |
| 02/15/2025 | \$50,000 |

U/L Tax Ref Bds Ser 2013-A

Tax Treatment: Bank Qualified
 Original Issue Amount \$7,985,000.00
 Dated Date: 03/01/2013
 Sale Date: 04/03/2013
 Delivery Date: 04/30/2013
 Sale Type: Negotiated
 Record Date: MSRB

Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 02/15, 08/15
 1st Coupon Date: 08/15/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: McCall Parkhurst & Horton L.L.P.
 Financial Advisor: BOSC, Inc., Richardson, TX
 Lead Manager: Southwest Securities
 Co-Manager: Raymond James
 Co-Manager: RBC Capital Markets
 Underwriter's Counsel: Bracewell & Giuliani LLP

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased mty(s) 02/15/2014-02/15/2017 and remainder of 02/15/2018-02/15/2021, 02/15/2026, 02/15/2031 and 02/15/2033 of U/L Tax Sch Bldg & Ref Bds Ser 2003 @ par.
 This issue defeased remainder of mty(s) 2/15/2024-2/15/2025, 2/15/2028 of U/L Tax Sch Bldg & Ref Bds Ser 2001B @ par.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|---------------------|--------------|---------|-----------------------------|
| 02/15/2032 | 1,125,000.00 | 3.5000% | 2.750% |
| 02/15/2033 | 5,020,000.00 | 3.5000% | 2.840% |
| -----\$6,145,000.00 | | | |

Call Option: Bonds maturing on 02/15/2032 to 02/15/2033 callable in whole or in part on any date beginning 02/15/2023 @ par.

U/L Tax Ref Bds Taxable Ser 2013-B

Tax Treatment: Taxable
 Original Issue Amount \$33,365,000.00
 Dated Date: 03/01/2013
 Sale Date: 04/03/2013
 Delivery Date: 04/30/2013
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 02/15, 08/15
 1st Coupon Date: 08/15/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: McCall Parkhurst & Horton L.L.P.
 Financial Advisor: BOSC, Inc., Richardson, TX
 Lead Manager: Southwest Securities
 Co-Manager: Raymond James
 Co-Manager: RBC Capital Markets
 Underwriter's Counsel: Bracewell & Giuliani LLP

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased mty(s) 2/15/2023-2/15/2026 of U/L Tax Ref Bds Ser 2005 @ par.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|----------------------|--------------|---------|-----------------------------|
| 02/15/2023 | 7,715,000.00 | 5.0000% | 2.510% |
| 02/15/2024 | 8,070,000.00 | 4.0000% | 2.710% |
| 02/15/2025 | 8,405,000.00 | 4.0000% | 2.860% |
| 02/15/2026 | 8,740,000.00 | 4.0000% | 2.970% |
| -----\$32,930,000.00 | | | |

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Call Option: Bonds maturing on 02/15/2024 to 02/15/2026 callable in whole or in part on any date beginning 02/15/2023 @ par.

U/L Tax Ref Bds Ser 2014

Tax Treatment: Bank Qualified
Original Issue Amount \$8,835,000.00
Dated Date: 10/01/2014
Sale Date: 11/06/2014
Delivery Date: 12/04/2014
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2015

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: BOSC, Inc., Richardson, TX
Lead Manager: RBC Capital Markets
Co-Manager: Southwest Securities
Underwriter's Counsel: Fulbright & Jaworski LLP

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:

U/L Tax Ref Bds Ser 2005

Table with 5 columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Row: 9,600,000.00*, 02/15/2028, 4.500, Par, 02/15/2015

* Partial Maturity

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows for 02/15/2027 and 02/15/2028, total \$8,645,000.00

Call Option: Bonds maturing on 02/15/2027 to 02/15/2028 callable in whole or in part on any date beginning 02/15/2024 @ par.

U/L Tax Sch Bldg Bds Ser 2015

Tax Treatment: Tax Exempt
Original Issue Amount \$88,170,000.00
Dated Date: 05/15/2015
Sale Date: 06/02/2015
Delivery Date: 06/25/2015
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2015

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial Advisor: BOSC, Inc., Richardson, TX
Lead Manager: RBC Capital Markets
Co-Manager: Raymond James
Co-Manager: SAMCO Capital Markets, Inc.
Underwriter's Counsel: Norton Rose Fulbright US LLP, Dallas, TX
Underwriter's Counsel: West & Associates LLP, Dallas, TX

Insurance: PSF

Use of Proceeds: School Building.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists various bond maturities from 2018 to 2045T.

-----\$87,035,000.00

Call Option: Bonds maturing on 02/15/2026 to 02/15/2040 and term bonds maturing on 02/15/2045 callable in whole or in part on any date beginning 02/15/2025 @ par.

Term Call: Term bonds maturing on 02/15/2045:

Table with 2 columns: Mandatory Redemption Date, Principal Amount. Rows for 02/15/2041 to 02/15/2045.

U/L Tax Ref Bds Ser 2015

Tax Treatment: Tax Exempt
Original Issue Amount \$54,460,000.00
Dated Date: 12/01/2015
Sale Date: 12/09/2015
Delivery Date: 12/30/2015
Sale Type: Negotiated
NIC: 3.4940%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2016

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial Advisor: BOSC, Inc., Richardson, TX
Lead Manager: RBC Capital Markets
Co-Manager: First Southwest Company
Co-Manager: SAMCO Capital Markets, Inc.
Underwriter's Counsel: Norton Rose Fulbright US LLP, Dallas, TX
Underwriter's Counsel: West & Associates LLP, Dallas, TX

Insurance: PSF

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:

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U/L Tax Ref Bds Ser 2005

Table with columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Row: 1,200,000.00**, 02/15/2028, 4.500, Par, 02/15/2016

U/L Tax Ref Bds Ser 2006

Table with columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Rows: 7,930,000.00, 65,000.00, 70,000.00, 75,000.00, 75,000.00, 80,000.00, 85,000.00, 90,000.00, 95,000.00, 19,410,000.00, 32,325,000.00

** Remainder

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows: 02/15/2019, 02/15/2028, 02/15/2029, 02/15/2030, 02/15/2031, 02/15/2032. Total: -\$53,175,000.00

Call Option: Bonds maturing on 02/15/2028 to 02/15/2032 callable in whole or in part on any date beginning 02/15/2025 @ par.

U/L Tax Sch Bldg Bds Ser 2017

Tax Treatment: Tax Exempt
Original Issue Amount: \$4,475,000.00
Dated Date: 08/15/2017
Sale Date: 08/24/2017
Delivery Date: 09/21/2017
Sale Type: Competitive
TIC: 1.1394%
Record Date: MSRB
Bond Form: BE
Denomination: \$5,000
Interest pays: Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2018

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial Advisor: BOK Financial Securities, Inc., Richardson, TX
Lead Manager: Morgan Stanley
Co-Manager: Fidelity Capital Markets
Co-Manager: Jefferies LLC
Co-Manager: Raymond James

Insurance: PSF

Use of Proceeds: School Building.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows: 02/15/2018, 02/15/2019, 02/15/2020, 02/15/2021, 02/15/2022. Total: -\$4,475,000.00

Call Option: Non Callable

Grand Total =====> \$214,226,096.15

Bond Debt Service

Table with columns: Period Ending, Principal, Interest, Debt Service. Rows: 08/31/18 to 08/31/45. Total: 214,226,096.15, 164,986,404.48, 379,212,500.63

COMPUTED ON BASIS OF MANDATORY REDEMPTION

CAPITAL APPRECIATION DEBT SERVICE REQUIREMENTS SHOWN ON NON-ACCREDITED BASIS. SEE APPENDIX FOR ACCRETION TABLE(S).

Debt Amortization Rates

Table with columns: Period Ending, Principal, % of Principal Retired. Rows: 08/31/2018 to 08/31/2034. Values range from 02.43% to 70.77%

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| | | |
|------------|--------------|---------|
| 08/31/2035 | 4,400,000.00 | 72.83% |
| 08/31/2036 | 4,600,000.00 | 74.97% |
| 08/31/2037 | 4,835,000.00 | 77.23% |
| 08/31/2038 | 5,085,000.00 | 79.60% |
| 08/31/2039 | 5,345,000.00 | 82.10% |
| 08/31/2040 | 5,620,000.00 | 84.72% |
| 08/31/2041 | 5,910,000.00 | 87.48% |
| 08/31/2042 | 6,210,000.00 | 90.38% |
| 08/31/2043 | 6,530,000.00 | 93.43% |
| 08/31/2044 | 6,865,000.00 | 96.63% |
| 08/31/2045 | 7,215,000.00 | 100.00% |

DEBT SERVICE FUND MANAGEMENT INDEX

| | | |
|--|----------------|---------------|
| G.O. Debt Service Requirements for fiscal year-ending 08/31/2018 | | \$20,440,029* |
| I&S Fds all G.O. issues 06/30/2017 | \$12,396,221** | |
| 2017 I&S Fund Tax Levy @ 90% | 18,664,112 | |
| Tier III | 1,218,548 | |

* Includes the August 2016 debt service payment.
** Unaudited.

OPERATING STATEMENT

STATEMENT OF NET POSITION

| | Governmental Activities 06/30/2016 | Governmental Activities 06/30/2015 |
|-------------------------------|------------------------------------|------------------------------------|
| ASSETS | | |
| Current Assets | \$112,391,183 | \$166,371,458 |
| Capital Assets | \$207,836,243 | \$159,129,221 |
| Total Assets | \$320,227,426 | \$325,500,679 |
| DEFERRED OUTFLOWS | \$16,907,828 | \$8,027,088 |
| LIABILITIES | | |
| Current Liabilities | \$23,700,531 | \$13,666,510 |
| Current Long Term Liabilities | \$9,605,000 | \$8,834,050 |
| Long Term Liabilities | \$285,968,636 | \$281,187,549 |
| Total Liabilities | \$319,274,167 | \$303,688,109 |
| DEFERRED INFLOWS | \$2,159,259 | \$4,683,196 |
| NET POSITION | | |
| Invested in Capital Asset | (\$5,214,642) | (\$927,924) |
| Restricted | \$8,927,397 | \$9,766,056 |
| Unrestricted | \$11,989,073 | \$16,318,330 |
| Total Net Position | \$15,701,828 | \$25,156,462 |

AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED None*

* Excludes authorizations from the following election proposition(s) because the remaining authorization is deemed too small or too old:
12/19/1998- \$2,136 Technology
10/20/2001- \$3,834 Renovations

PENSION FUND LIABILITY

The District participates in a cost-sharing multi-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas ("TRS"). TRS's defined benefit pension plan

is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR.

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

| Contribution Rates Plan Fiscal Year | 2016 | 2015 |
|-------------------------------------|------|------|
| Member | 7.2% | 6.7% |
| Employer | 6.8% | 6.8% |

| Reporting Year* | 08-31-2016 | 08-31-2015 |
|---------------------------|--------------|--------------|
| Net Pension Liability | | |
| Beginning of Year | \$15,309,415 | \$18,798,707 |
| Additional Contributions | \$0 | \$0 |
| Total Pension Expense | \$5,484,474 | \$1,415,084 |
| Total Deferred Outflows | \$12,804,844 | \$1,231,894 |
| Total Deferred Inflows | \$2,155,922 | \$4,683,196 |
| This Year's Contributions | \$2,430,285 | \$1,453,074 |
| Net Pension Liability | | |
| End of Year | \$29,012,526 | \$15,309,415 |

| | Contributions Required and Made |
|-----------------------------|---------------------------------|
| 2016 Member (Employee) | \$5,547,640 |
| Contributing Agency (State) | \$3,665,288 |
| 2016 Employer | \$2,363,167 |

For the year ended August 31, 2016, the District recognized pension expense of \$6,232,661 and revenue of \$6,232,661 for support provided by the State.

| | 08-31-2016 | 08-31-2015 |
|--|--------------|--------------|
| District's Proportion of the Net Pension Liability | 0.00082075% | 0.00057314% |
| District's Proportion Share of the Net Pension Liability | \$29,012,526 | \$15,309,415 |
| State's Proportion Share of the District's Net Pension Liability | \$43,742,911 | \$37,101,536 |
| Total | \$72,755,437 | \$52,410,951 |
| District's Covered-Employee Payroll | \$76,040,667 | \$72,292,518 |

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| | | |
|---|---------------|---------------|
| District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Employee Payroll | 38.15% | 21.18% |
| TRS net position as a percentage of the total pension liability | 78.43% | 83.25% |
| Plan's net pension liability as a percentage of covered - employee payroll | 95.68% | 72.50% |
| | 2016 | 2015 |
| Contractually Required Contributions | \$2,363,197 | \$2,299,184 |
| Contributions in Relation to the Contractual Required Contributions | (\$2,363,167) | (\$2,299,184) |
| Contributions Deficiency (Excess) | \$30 | \$0 |
| District's Covered Employee Payroll | \$77,893,794 | \$75,286,832 |
| Contributions as a Percentage of Covered Employee Payroll | 3.03% | 3.05% |

* Based on measurement period of the previous fiscal year.

Source: Duncanville ISD June 30, 2016 audit.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of June 30, 2016)

The District reports additional debt in the principal amount of \$29,012,526 under Govt Activities as follows:

| | Amount Outstanding | Reported Under |
|-------------------|--------------------|-----------------|
| Pension Liability | \$29,012,526 | Govt Activities |

* See PENSION FUND LIABILITY section for details of this obligation.

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

| Taxing Body | Debt Amount | As Of | %Ovlpg | Ovlpg Amt |
|---|---------------|------------|--------|---------------|
| Cedar Hill, City of | \$56,714,503 | 06/01/16 | 3.36 | \$1,905,607 |
| Dallas Co | 199,545,000 | * 08/31/17 | 1.92 | 3,831,264 |
| Dallas Co CCD | 263,140,000 | * 08/31/17 | 1.92 | 5,052,288 |
| Dallas Co Hosp Dist | 664,441,526 | 12/31/16 | 1.92 | 12,757,277 |
| Dallas Co Schools | 40,330,000 | 07/31/17 | 1.92 | 774,336 |
| Dallas, City of | 1,632,595,997 | * 08/31/17 | 1.57 | 25,631,757 |
| DeSoto, City of | 53,391,270 | 04/30/17 | 8.08 | 4,314,015 |
| Duncanville, City of | 6,520,000 | * 08/31/17 | 97.82 | 6,377,864 |
| Total Overlapping Debt: | | | | \$60,644,408 |
| Duncanville ISD | | 06/30/17 | | \$201,829,875 |
| Total Direct and Overlapping Debt: | | | | \$262,474,284 |
| Total Direct and Overlapping Debt % of A.V.: | | | | 6.09% |
| Total Direct and Overlapping Debt per Capita: | | | | \$3.816 |

* Gross Debt

ECONOMIC BACKGROUND

TEXAS PUBLIC SCHOOL FINANCE SYSTEM For information on the Texas Public School Finance System, visit the Publications area of the MAC website at

www.mactexas.com.

ECONOMIC BACKGROUND

Duncanville ISD is a suburban residential area that consists of approximately 30 square miles in the southwestern portion of Dallas County, approximately 25 miles from the City of Fort Worth and 10 miles from downtown Dallas, where a large percentage of the labor force is employed. The District includes the City of Duncanville, a commercial and residential center located on U.S. Highway 67 and Interstate Highway 20. The City of Duncanville's 2010 population was 38,524, a 6.77% increase since 2000.

COUNTY CHARACTERISTICS: Dallas County was created in 1846 from Nacogdoches and Robertson Counties and named for the U.S. Vice-President, George Mifflin Dallas. The north central Texas county is the major component of the Dallas Primary Metropolitan Statistical Area. Dallas County is a national center for insurance, banking, electronics, conventions, aircraft manufacturing, and trade shows. As one of the nation's leading convention centers, as well as trade and market centers, Dallas County receives an estimated 1,000,000 visitors annually.

COUNTY SEAT: Dallas

2010 census: 2,368,139 increasing 6.7 % since 2000
 2000 census: 2,218,899 increasing 19.8 % since 1990
 1990 census: 1,852,810

ECONOMIC BASE

Mineral: sand, oil, gravel and gas.

Industry: U.S. Customs, transportation, trade center, telecommunications, government, electronic equipment, data processing and conventions.

Agricultural: wheat, soybeans, horticulture, horses, hay, crops and corn.

OIL AND GAS - 2016

The gas production for this county accounts for 0.11% of the total state production. The county ranks 89 out of all the counties in Texas for gas production.

GAS WELL PRODUCTION (Texas Railroad Commission)

| Year | Description | Volume | % Change From Previous Year |
|------|-------------|----------------|-----------------------------|
| 2013 | GW Gas | 6,968,277 MCF | -3.30 |
| 2014 | GW Gas | 10,129,427 MCF | 45.36 |
| 2015 | GW Gas | 7,587,992 MCF | -25.09 |
| 2016 | GW Gas | 5,917,443 MCF | -22.02 |

PARKS (Texas Parks & Wildlife)

| Year | Description | Volume |
|------|-----------------------|------------------|
| 2013 | Cedar Hill State Park | 279,263 Visitors |
| 2014 | Cedar Hill State Park | 287,298 Visitors |
| 2015 | Cedar Hill State Park | 167,444 Visitors |
| 2016 | Cedar Hill State Park | 171,629 Visitors |

CIVIL / MILITARY PERSONNEL (US Department of Defense)

| Year | Description | Volume |
|------|-------------------------------|---------------|
| 2013 | Fort Worth US Army Recruiting | 1,430 Members |
| 2014 | Fort Worth US Army Recruiting | 1,984 Members |
| 2013 | Garland Air Guard Station | 155 Members |
| 2014 | Garland Air Guard Station | 168 Members |
| 2013 | Navy Recruiting Area 7 Dallas | 518 Members |
| 2014 | Navy Recruiting Area 7 Dallas | 491 Members |

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

| Year | 2016 | 2015 | 2014 |
|--------------------------------------|----------|----------|----------|
| Retail Sales | \$35.9B | \$25.1B | \$32.8B |
| Effective Buying Income (EBI) | \$59.8B | \$53.7B | \$52.1B |
| County Median Household Income | \$45,082 | \$43,062 | \$41,097 |
| State Median Household Income | \$55,352 | \$53,037 | \$50,464 |
| % of Households with EBI below \$25K | 12.5 % | 12.9 % | 13.7 % |
| % of Households with EBI above \$25K | 66.8 % | 66.3 % | 65.5 % |

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EMPLOYMENT DATA (Texas Workforce Commission)

Table with columns for Year, Employed, Earnings for 2017, 2016, and 2015. Rows include 1st Q, 2nd Q, 3rd Q, and 4th Q.

MAJOR COLLEGES AND UNIVERSITIES: University of Texas at Dallas, University of North Texas at Dallas, University of Dallas, The University of Texas Southwestern Medical at Dallas, Southern Methodist University, Paul Quinn College, Dallas County Community College District, Dallas Baptist University, Amberton University

COLLEGES AND UNIVERSITIES

Table with columns for Year, Total, and Fall Enrollment. Rows range from 2016 down to 2008.

TOP EMPLOYERS

Table with columns for Major Employers(a) and # Employees. Lists various employers like Duncanville ISD, Quality Cabinets and Doors, etc.

Source: Official Statement dated August 24, 2017.

TOP TAXPAYERS

Table with columns for Principal Taxpayers, 2017 A.V., and % of A.V. Lists top taxpayers like White Wave Food Inc., Old Dominion Freight Line Inc., etc.

Table with columns for Employer Name, Amount, and Percentage. Lists Wholesale Cabinetry, Cummins Southern Plains Inc., etc.

FINANCE CONNECTED OFFICIALS

Board President
Renee McNeely
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Duncanville, TX 75137
Phone: 972-709-7824
Fax: 972-708-2020
boardofftrustees@duncanvilleisd.org

Superintendent
Dr. Marc Smith
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Duncanville, TX 75137
Phone: 972-708-2007
Fax: 972-708-2020
superintendent@duncanvilleisd.org

Chief Financial Officer
Jan Arrington
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Duncanville, TX 75137
Phone: 972-708-2024
Fax: 972-708-2020
jarrington@duncanvilleisd.org

Tax Assessor/Collector
John R. Ames
Dallas County Tax Office
400 Elm St
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Phone: 214-653-7811
Fax: 214-653-7887
john.ames@dallascounty.org

Chief Appraiser
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Dallas Central Appraisal District
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Dallas, TX 75247
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customerservice@dcad.org

JNP

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