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December 12, 2011

Dr. James Monaco
Superintendent of Schools
Aubrey Independent School District
415 W. Tisdell Lane
Aubrey, Texas 76227

Re: Final Results – Refunding Program

Dear Dr. Monaco:

On Thursday, December 8, 2011, Aubrey Independent School District (the “District”) successfully sold its Unlimited Tax Refunding Bonds, Series 2011 (the “Series 2011 Refunding Bonds”) to refund a portion of the District’s outstanding bonds (collectively, “the Bonds to be Refunded”) at a lower interest rate. This memorandum summarizes the final results of the District’s Refunding Program, including the savings realized by the District and its taxpayers.

Summary of Results

At its October 26, 2011 meeting, the District’s Board of Trustees adopted a “Parameters Order” authorizing the completion of the Refunding Program if certain parameters could be met. The table below compares the original parameters approved for the Refunding Program with the District’s actual results. Based upon the actual 3.47% interest rate achieved, the District’s bond payments in years 2011/12 – 2015/16 were reduced by \$1,992,961 (net of all costs).

Summary of Savings – Final Results			
Description	Original Parameter	Actual Results	Difference
Principal Amount of the Series 2011 Refunding Bonds	\$6,711,114	\$6,711,021	(\$93)
Interest Rate on the Bonds to be Refunded	5.04%	5.04%	---
Interest Rate on the Series 2011 Refunding Bonds	4.25%	3.47%	(0.78%)
Total Bond Payment Savings – Year 2011/12	\$200,000	\$330,761	\$130,761
Total Bond Payment Savings – Year 2012/13	200,000	413,050	213,050
Total Bond Payment Savings – Year 2013/14	200,000	553,050	353,050
Total Bond Payment Savings – Year 2014/15	200,000	543,050	343,050
Total Bond Payment Savings – Year 2015/16	---	153,050	153,050
Total Bond Payment Savings – Years 2011/12 – 2015/16	800,000	1,992,961	1,192,961

Summary of Bonds Refunded at a Lower Interest Rate

The following table summarizes the District's outstanding bonds that were cost-effective to refund at a lower interest rate and provide the District with lower bond payments in years 2011/12 – 2015/16.

Summary of Bonds to be Refunded						
Issue Outstanding	Principal Amount To Be Refunded	Maturity Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building Bonds, Series 1996	\$ 703,458	\$1,860,000	02/15/2012 – 16	5.77%	---	---
Unlimited Tax School Building & Refunding Bonds, Series 2002	112,395	120,000	02/15/2026 – 27; 2037	5.04%	02/15/2012	100.0%
Unlimited Tax School Building Bonds, Series 2003	5,895,261	8,000,000	02/15/2018 – 20; 2025; 2026 – 29; 2032 & 2037	5.01%	02/15/2013	100.0%
Totals:	\$6,711,114	\$9,980,000	---	5.04%	---	---

Closing

Congratulations on the successful implementation of the District's Refunding Program. Your leadership and prudent actions have reduced the District's bonds payments for current taxpayers within Aubrey Independent School District. Should any questions arise or additional information is needed, please do not hesitate to contact Josh McLaughlin or myself. We thank you for the opportunity to be of service to the District and hope you are pleased with the results. Hope all is well!

Sincerely,



William J. Gumbert
Managing Director



Joshua M. McLaughlin
Investment Banker

Rating: Moody's "Aaa" / "A1"
(See "RATINGS" and "THE PERMANENT SCHOOL
FUND GUARANTEE PROGRAM")

OFFICIAL STATEMENT
Dated: December 9, 2011

MPH
12/13/2011

NEW ISSUE: BOOK-ENTRY-ONLY

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.

THE BONDS HAVE BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$6,711,021.40
AUBREY INDEPENDENT SCHOOL DISTRICT
(A political subdivision of the State of Texas located in Denton County, Texas)
UNLIMITED TAX REFUNDING BONDS, SERIES 2011

Dated Date: December 1, 2011

Due: February 15, as shown on page 2

The Aubrey Independent School District (the "District") is issuing its \$6,711,021.40 Unlimited Tax Refunding Bonds, Series 2011 (the "Bonds") in accordance with the Constitution and general laws of the State of Texas, including, particularly, Chapter 1207, Texas Government Code, as amended, and a bond order (the "Bond Order") passed by the Board of Trustees (the "Board") of the District on October 26, 2011 in which the Board delegated pricing of the Bonds and certain other matters to a "Pricing Officer" who approved and executed a "Pricing Certificate" on December 9, 2011 which completed the sale of the Bonds (the Bond Order and the Pricing Certificate are jointly referred to as the "Order"). The Bonds are being issued in part as Current Interest Bonds ("CIBs") and in part as Premium Capital Appreciation Bonds ("CABs"). The Bonds constitute direct obligations of the District and are payable as to principal and interest from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, against all taxable property located within the District. **An application has been filed by the District with, and conditional approval has been received from, the Texas Education Agency for the Bonds to be guaranteed by the Permanent School Fund Guarantee (see "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").**

Interest on the CIBs will accrue from December 1, 2011 (the "Dated Date"), and will be payable on February 15, 2012, and semiannually thereafter on each succeeding August 15 and February 15 of each year until stated maturity or prior redemption. The CIBs will be issued in principal denominations of \$5,000 or any integral multiple thereof within a maturity. Interest on the CABs will accrete from the date they are initially delivered to the initial purchasers thereof named below (the "Underwriter"), will compound semiannually on February 15 and August 15 of each year (each an "Accretion Date"), commencing February 15, 2012, and will be payable at maturity or on a prior redemption date. The CABs will be issued as fully registered obligations in "Maturity Amount" denominations of \$5,000 or any integral multiple thereof within a stated maturity. The "Maturity Amount" for the CABs represents the total amount of principal, plus the initial premium, if any, paid therefor, and the accreted/compounded interest thereon at stated maturity. Interest accruing on the CIBs and the accreted/compounded interest on the CABs will be calculated on the basis of a 360-day year of twelve 30-day months (see "THE BONDS – General Description").

The District intends to use the Book-Entry-Only System of The Depository Trust Company ("DTC"), but use of such system could be discontinued. The principal and Maturity Amount of the Bonds at maturity or amounts due upon a prior redemption date, interest on the CIBs and Accreted Value of the CABs will be payable to Cede & Co., as nominee for DTC, by The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, as the initial Paying Agent/Registrar (the "Paying Agent/Registrar") for the Bonds. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM").

Proceeds from the sale of the Bonds will be used (i) to refund a portion of the District's outstanding bonds (the "Refunded Bonds") (see "Schedule I – SCHEDULE OF BONDS TO BE REFUNDED") and (ii) to pay costs of issuance related to the Bonds (see "THE BONDS – Purpose"). The refunding is being undertaken to lower the District's debt service payments and will result in a present value savings to the District.

CUSIP PREFIX: 050195 / MATURITY SCHEDULE & 9 DIGIT CUSIP – See Schedule on Page 2

The Bonds are offered when, as and if issued, and accepted by the Underwriter, subject to the approving opinion of the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas. Certain legal matters will be passed upon for the Underwriter by their counsel, Fulbright & Jaworski L.L.P., Dallas, Texas. The Bonds are expected to be available for initial delivery through the services of DTC on or about December 29, 2011.

Morgan Keegan

MATURITY SCHEDULE

\$4,065,000 Serial Current Interest Bonds

<u>Maturity Date</u> <u>(2/15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP</u> <u>Suffix</u> ^(A)
2017	\$ 90,000	2.000%	1.350%	MU(7)
****	****	****	****	****
2029	600,000	3.500	3.000 ^(B)	MV(5)
2030	620,000	3.500	3.100 ^(B)	MW(3)
2031	645,000	3.500	3.200 ^(B)	MX(1)
2032	665,000	4.000	3.250 ^(B)	MY(9)
2033	695,000	4.000	3.400 ^(B)	MZ(6)
2034	750,000	4.000	3.550 ^(B)	NA(0)

(Interest Accrues from December 1, 2011)

\$2,440,000 Term Current Interest Bonds\$2,440,000 4.000% Term Current Interest Bonds due February 15, 2027, Price 101.526%, Yield 3.800%^(B), CUSIP Suffix^(A) NB(8)

(Interest Accrues from December 1, 2011)

\$206,021.40 Premium Capital Appreciation Bonds

<u>Maturity Date</u> <u>(2/15)</u>	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Initial</u> <u>Yield To</u> <u>Maturity</u>	<u>Maturity</u> <u>Amount</u>	<u>Initial Offering</u> <u>Price Per \$5,000 In</u> <u>Maturity Amount</u>	<u>CUSIP</u> <u>Suffix</u> ^(A)
2018	\$ 51,119.60	1.900%	\$ 280,000	\$ 4,452.90	NC(6)
2019	38,729.60	2.150	280,000	4,293.05	ND(4)
2020	29,344.00	2.400	280,000	4,118.65	NE(2)
2021	22,232.00	2.550	280,000	3,967.55	NF(9)
2022	17,145.60	2.850	285,000	3,754.00	NG(7)
2023	12,762.40	3.000	280,000	3,589.75	NH(5)
2024	9,668.40	3.200	280,000	3,402.15	NJ(1)
2025	7,324.80	3.400	280,000	3,211.80	NK(8)
2026	5,648.70	3.500	285,000	3,062.50	NL(6)
2027	5,332.10	3.600	355,000	2,914.45	NM(4)
2028	6,714.20	3.700	590,000	2,768.10	NN(2)

(Interest to Accrete from Date of Initial Delivery)

OPTIONAL REDEMPTION...The CIBs maturing on and after February 15, 2029, are subject to redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2021, or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption (see "THE BONDS – Redemption Provisions").

The CABs maturing on and after February 15, 2022, are subject to redemption prior to maturity, at the option of the District, in whole or in part, in Maturity Amounts of \$5,000 or any integral multiple thereof, on February 15, 2021, or on any date thereafter, at the redemption price equal to the "Accreted Value" as of the date of redemption (such "Accreted Value" as defined herein under the caption "THE BONDS – General Description" and to be calculated as of any redemption date in accordance with such definition) (see "THE BONDS – Redemption Provisions").

MANDATORY SINKING FUND REDEMPTION...The CIBs maturing on February 15, 2037 (the "Term CIBs") are subject to mandatory sinking fund redemption as described herein (see "THE BONDS – Redemption Provisions").

^(A) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the District, the Financial Advisor or the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

^(B) Yield is calculated to first optional redemption date of February 15, 2021.

*An opinion in substantially the following form will be delivered by McCall,
Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the
Bonds, assuming no material changes in facts or law.*

AUBREY INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX REFUNDING BONDS,
SERIES 2011, DATED DECEMBER 1, 2011,
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$6,711,021.40

AS BOND COUNSEL FOR THE ISSUER (the "Issuer") of the Bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which mature and bear interest from the dates specified in the text of the Bonds, until maturity or redemption, at the rates and payable on the dates as stated in the text of the Bonds, with the Bonds being subject to redemption prior to maturity, all in accordance with the terms and conditions stated in the text of the Bonds.

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the Issuer and other documents authorizing and relating to the issuance of said Bonds, including two of the executed Bonds (Bond Numbers R-1 and CR-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and duly delivered in accordance with law; and that except as may be limited by laws applicable to the Issuer relating to federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, which rights may be limited by general principles of equity which permit the exercise of judicial discretion, the Bonds constitute valid and legally binding obligations of the Issuer; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds have been levied and pledged for such purpose, without legal limit as to rate or amount.

IN EXPRESSING SUCH OPINION, we have considered the effect of the November 22, 2005 decision by the Texas Supreme Court in *West Orange-Cove Consolidated Independent School District, et al. v. Neeley, et al.*, upholding, in part, a lower court judgment concluding that the local ad valorem maintenance and operation tax authorized under the school finance system then in effect had become a State property tax in violation of article VIII, section 1-e of the Texas Constitution, in that school districts did not have meaningful discretion in levying the tax. The Court's opinion further noted that the court "... remain convinced ... that defects in the structure of the public school finance system expose the system to constitutional challenge ... [Such challenges] will repeat until the system is overhauled." Subsequent to such decision, legislation was enacted by the Texas Legislature to address the constitutional issues raised in the court's ruling. Reference is made to the Official Statement for the Bonds for a further description of the rulings, the legislation enacted by the Texas Legislature, and pending litigating challenging the validity of the currently school finance system.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on, and assume compliance by the Issuer with, certain covenants regarding the use and investment of the proceeds of the Bonds and the refunded bonds and the use of the property financed and refinanced therewith, the verification report prepared by Grant Thornton LLP and the certificate with respect to arbitrage by the Commissioner of Education regarding the allocation and investment of certain investments in the Permanent School Fund. We call your attention to the fact that if such representations are determined to be inaccurate or upon failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by Section 55 of the Code.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of any result. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and assessed valuation of taxable property within the Issuer. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a result and are not binding on the Internal Revenue Service (the "Service"). Rather, our opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, might result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Very truly yours,