PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER __, 2017

NEW ISSUE – BOOK-ENTRY-ONLY **RATINGS: See "RATINGS" herein.**
INSURANCE: See "BOND INSURANCE AND RELATED RISK FACTORS" herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District, as mentioned under "TAX EXEMPTION" herein, interest income on the Bonds is excluded from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to the federal alternative minimum tax. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM" herein.

DRAFT III
12-6-17

$48,835,000*
TUCSON UNIFIED SCHOOL DISTRICT NO. 1 OF PIMA COUNTY, ARIZONA REFUNDING BONDS, SERIES 2017 (2020 CROSSOVER)

Dated: Date of Initial Authentication and Delivery *Due:* July 1, as shown on the inside front cover page

The Refunding Bonds, Series 2017 (2020 Crossover) (the "Bonds") of Tucson Unified School District No. 1 of Pima County, Arizona (the "District"), will be issued in the form of fully-registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Ownership interests in the Bonds may be purchased in amounts of $5,000 of principal due on a specific maturity date or integral multiples thereof. The Bonds will mature on the dates and in the principal amounts and will bear interest from their initial date of delivery to their maturity, or prior redemption as set forth on the inside front cover page. Interest on the Bonds will accrue from the date of initial authentication and delivery and will be payable semiannually on July 1 and January 1 of each year commencing July 1, 2018*, until maturity or prior redemption.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The District will initially utilize DTC's "book-entry-only system," although the District and DTC each reserve the right to discontinue the book-entry-only system at any time. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. So long as the book-entry-only system is in effect, a single fully-registered Bond, for each maturity of the Bonds, will be registered in the name of Cede & Co., as nominee of DTC, on the registration books maintained by U.S. Bank National Association, the initial bond registrar and paying agent for the Bonds. DTC will be responsible for distributing the principal, premium, if any, and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the beneficial owners of the Bonds (the "Beneficial Owners"). So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Bonds, all references herein (except under the headings "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM") to owners of the Bonds will refer to Cede & Co. and not the Beneficial Owners. See APPENDIX H - "BOOK-ENTRY-ONLY SYSTEM" herein.

Certain of the Bonds will be subject to redemption prior to their stated maturity dates as described under "THE BONDS – Redemption Provisions" herein*.

The Bonds will be issued for the purpose of refunding, on a crossover basis, the Bonds Being Refunded (as defined herein), paying interest on the Bonds to and including the Crossover Date (as defined herein) and paying costs of issuance of the Bonds.

Principal of and interest on the Bonds will be direct general obligations of the District payable from a continuing, direct, annual, ad valorem tax levied against all taxable property within the boundaries of the District, unlimited as to rate, except that (i) such ad valorem taxes shall be abated with respect to interest to be paid on the Bonds to and including July 1, 2020 (the "Crossover Date") and such interest shall be paid by amounts held in a special trust account funded with proceeds of the Bonds and (ii) such ad valorem taxes for the Bonds will be limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds will not exceed the total aggregate of principal of and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded from the same source in the event of a deficiency in the securities to be purchased with the proceeds of the Bonds and held in trust to pay principal of and premium, if any, and interest on such Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the monies and securities held in such trust for payment of the Bonds Being Refunded. See "PLAN OF REFINANCING" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein.

The Bonds will be offered when, as and if issued by the District and received by the underwriters identified below (the "Underwriters"), subject to the legal opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December 28, 2017*.

This cover page and inside front cover page contain certain information with respect to the Bonds for convenience of reference only. It is not a summary of the issue of which the Bonds are a part. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

RBC CAPITAL MARKETS **PIPER JAFFRAY**

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* *Subject to change.*

$48,835,000*
TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OF PIMA COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017
(2020 CROSSOVER)

MATURITY SCHEDULE*
Base CUSIP® No. 721799[1]

Maturity Date (July 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP®[1] No. 721799
2021	$ 3,995,000			
2022	4,180,000			
2023	4,265,000			
2024	4,445,000			
2025	4,625,000			
2026	4,905,000			
2027	5,190,000			
2028	5,465,000			
2029	5,700,000			
2030	6,065,000			

* *Subject to change.*

(1) *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor (as defined herein), Bond Counsel, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such numbers.*

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OF PIMA COUNTY, ARIZONA

DISTRICT GOVERNING BOARD

Michael Hicks, *President*
Dr. Mark Stegeman, *Clerk*
Adelita S. Grijalva*, Member*
Kristel Ann Foster, *Member*
Rachael Sedgwick, *Member*

DISTRICT ADMINISTRATION

Dr. Gabriel Trujillo, *Superintendent*
Dr. Gabriel Trujillo, *Interim Assistant Superintendent for Curriculum and Instruction*
Mark Alvarez, *Interim Assistant Superintendent of Elementary and K-8 Leadership*
Richard Gastellum, *Interim Assistant Superintendent of Secondary Leadership*
Renee Weatherless, *Executive Director of Finance*
Janet Rico Uhrig, *Executive Director of Human Resources*
Stuart Duncan*, Chief Operations Officer (a)*
Vacant, *Chief Technology Officer*
Robert S. Ross, Jr.*, Legal Counsel*

BOND COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

DEPOSITORY TRUSTEE, BOND REGISTRAR AND PAYING AGENT

U.S. Bank National Association
Phoenix, Arizona

(a) Stuart Duncan announced his plans to retire in January 2018..

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Tucson Unified School District No. 1 of Pima County, Arizona (the "District"), Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor") or the underwriters identified on the cover page (the "Underwriters") to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the District, the Arizona Department of Revenue, the Assessor and Treasurer of Pima County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriters, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District, the Financial Advisor or the Underwriters.

The Underwriters have provided the following sentences for inclusion in this Official Statement: "The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information. The delivery of this Official Statement shall not imply that the information herein is correct as of any time subsequent to the date hereof."

None of the District, the Financial Advisor, the Underwriters, counsel to the Underwriters or Bond Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the District's share of the unfunded liabilities of the Arizona State Retirement System.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriters and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will neither be registered under the Securities Act of 1933, as amended, nor any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this offering document for purposes of, and as that term is defined in, Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITERS MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

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OFFICIAL STATEMENT

$48,835,000*
TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OF PIMA COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017
(2020 CROSSOVER)

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been prepared at the direction of Tucson Unified School District No. 1 of Pima County, Arizona (the "District"), in connection with the issuance of $48,835,000* aggregate principal amount of bonds designated Refunding Bonds, Series 2017 (2020 Crossover) (the "Bonds"). Certain information concerning the authorization, purpose, terms, conditions of sale and sources of payment of and security for the Bonds is stated in this Official Statement. See APPENDIX A – "THE DISTRICT – DISTRICT INFORMATION" and APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION" for certain information about the District.

Reference to provisions of State of Arizona (the "State" or "Arizona") law, whether codified in the Arizona Revised Statutes, or uncodified, or of the State Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or beneficial owners of the Bonds.

THE BONDS

Authorization and Purpose

The Bonds will be issued pursuant to the Constitution and the laws of the State, including particularly Title 35, Chapter 3, Article 4, Arizona Revised Statutes (the "Act"), and a resolution adopted by the Governing Board of the District on December 12, 2017 (the "Bond Resolution"). Proceeds from the sale of the Bonds will be used to (i) establish an irrevocable escrow trust (the "Trust Account") containing monies and certain obligations that will, together with certain investment income thereon, be sufficient to pay (A) the redemption price of the Bonds Being Refunded (as defined herein) on their redemption date (but not interest on such bonds through their redemption date) and (B) the interest on the Bonds to and including the Crossover Date (as defined herein), as described under "PLAN OF REFINANCING" and (ii) pay costs of issuance of the Bonds. The levy of ad valorem taxes will be abated with respect to interest to be paid on the Bonds to and including the Crossover Date and such interest shall be paid by amounts held in the Trust Account funded with premium on the Bonds.

Terms of the Bonds – Generally

The Bonds will be dated the date of delivery, and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), under the book-entry-only system described herein (the "Book-Entry-Only System"). See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM." The Bonds will mature on the dates and in the principal amounts and will bear interest from their date at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of $5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will be payable semiannually on each July 1 and January 1, commencing July 1, 2018* (each an "Interest Payment Date"), until maturity or prior redemption.

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* *Subject to change.*

See “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT,” and “BOND PREMIUM” herein for a discussion of the treatment of interest on the Bonds for federal or State income tax purposes.

Bond Registrar and Paying Agent

U.S. Bank National Association will serve as the initial bond registrar, transfer agent and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Optional Redemption. The Bonds maturing on or before July 1, 20__ are not subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 20__ are subject to redemption prior to their stated maturity dates, at the option of the District, in whole or in part from maturities selected by the District on July 1, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption but without premium.

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX H – “BOOK-ENTRY-ONLY SYSTEM.” If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX G – “FORM OF CONTINUING DISCLOSURE CERTIFICATE,” but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by the District, the Pima County, Arizona (the “County”) Treasurer or the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC’s practice is to determine by lot the amount of each Direct Participant’s (as defined in APPENDIX H – “BOOK-ENTRY-ONLY SYSTEM”) proportionate share that is to be redeemed.

Redemption of Less than All of a Bond. The District may redeem any amount which is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, $5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC’s procedures. In the event of a partial redemption if the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

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* *Subject to change.*

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent's requirements for transfer are met. The District has chosen the fifteenth day of the month preceding an Interest Payment Date as the "Record Date" for the Bonds. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. Interest on the Bonds will be paid to the registered owners of the Bonds as shown on the registrar's registration books on the respective Record Date.

The transferor will be responsible for all transfer fees, taxes, other fees and any other costs relating to the transfer of ownership of individual Bonds.

PLAN OF REFINANCING

The proceeds of the sale of the Bonds remaining after payment of certain costs of issuance will be placed into the Trust Account with U.S. Bank National Association, as depository trustee (the "Depository Trustee"), pursuant to a depository trust agreement among the District, the Treasurer of the County and the Depository Trustee, dated as of December 1, 2017 (the "Depository Trust Agreement"), to be applied to the payment of the Bonds Being Refunded identified below.

Amounts deposited into the Trust Account will be applied to the payment of the redemption price of the Bonds Being Refunded identified below on their redemption date specified below (but not interest on the Bonds Being Refunded through their redemption date). In addition, amounts derived from premium on the Bonds will be deposited into the Trust Account to pay interest on the Bonds to and including July 1, 2020, the redemption date of the Bonds Being Refunded (the "Crossover Date"). The levy of ad valorem taxes will be abated with respect to interest to be paid on the Bonds to and including the Crossover Date and such interest shall be paid by amounts held in the Trust Account funded with premium on the Bonds.

Amounts deposited into the Trust Account will be used to acquire securities issued by or guaranteed by the United States of America (the "Government Obligations"), the maturing principal of and interest income with respect to which are calculated to be sufficient, along with certain initial cash balances held pursuant to the Depository Trust Agreement, to pay (i) the redemption prices shown below of the Bonds Being Refunded on the redemption date (but not interest on such bonds through the redemption date), and (ii) interest on the Bonds to and including the Crossover Date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

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* *Subject to change.*

Schedule of Bonds Being Refunded*

Issue Series	Maturity Date (July 1)	Coupon	Principal Amount Outstanding	Bonds Being Refunded	Redemption Date (July 1)	Redemption Premium (as a Percentage of Principal)	CUSIP®[1] No. 721799
2010E-2	2021	5.117%	$ 4,180,000	$ 4,180,000	2020	0.0%	YS7
	2025	5.917	$ 18,800,000	$ 18,800,000	2020	0.0	YT5
	2030	6.312	$ 29,070,000	$ 29,070,000	2020	0.0	YU2
			$ 52,050,000	$ 52,050,000			

* *Subject to change.*

[1] *See footnote (1) on the inside front cover page.*

To the extent the monies and Government Obligations held in the Trust Account are not sufficient to pay the principal of and interest on the Bonds Being Refunded or interest on the Bonds to and including the Crossover Date, the District will remain liable for payment of such amounts. The ad valorem tax to be levied for the payment of the Bonds will be unlimited as to rate, except that (i) ad valorem taxes shall be abated with respect to interest to be paid on the Bonds to and including the Crossover Date and such interest shall be paid by amounts held in the Trust Account, and (ii) the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The Act provides that the issuance of the Bonds will in no way infringe upon the rights of holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the monies and Government Obligations in the Trust Account prove insufficient for payment of the Bonds Being Refunded. The Act further provides that owners of the Bonds must rely upon the sufficiency of such monies and the Government Obligations held in the Trust Account for the payment of the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent certified public accountants, will deliver to the District, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, (i) the redemption price of the Bonds Being Refunded on their redemption date (but not interest on such bonds through their redemption date) and (ii) the interest on the Bonds to and including the Crossover Date, of the Bonds Being Refunded and interest due on the Bonds to and including the Crossover Date and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

Grant Thornton LLP relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the District. In addition, Grant Thornton LLP has relied on any information provided to it by the District's retained advisors, consultants or legal counsel. Grant Thornton LLP was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

For the purpose of paying the principal of and interest on the Bonds and costs of registration and payment of the Bonds, the District will cause to be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, premium, interest, and costs of the administration as the same become due, unlimited as to rate, except that (i) such ad valorem taxes shall be abated with respect to interest to be paid on the Bonds to and including the Crossover Date and such interest shall be paid by amounts held in the Trust Account, funded with premium on the Bonds, and (ii) such ad valorem taxes for the Bonds will be limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds will not exceed the total aggregate of principal of and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of such Bonds Being Refunded. Subject to such limitation, such taxes are to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes will be kept in a special fund of the District (the "Debt Service Fund") and will be used only for the payment of principal, interest, and administration costs as above-stated. For the ad valorem property tax levy and collection procedures, see APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION – PROPERTY TAXES." The District has other bonds payable from such source outstanding and may issue additional bonds payable from such source in the future with or without such limit. See APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION – DIRECT AND OVERLAPPING BONDED INDEBTEDNESS."

The Act provides that the issuance of the Bonds will in no way infringe upon the rights of holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on such Bonds Being Refunded if the monies and Government Obligations held in the Trust Account prove insufficient. The Act further provides that owners of the Bonds must rely upon the sufficiency of such monies and the Government Obligations held in the Trust Account for the payment of the Bonds Being Refunded.

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America ("Defeasance Obligations") or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from ad valorem taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

Investment of Debt Service Funds

Following collection and deposit of the proceeds of the taxes into the Debt Service Fund, the District will instruct the Treasurer of the County, as ex officio Treasurer of the District, to invest the monies credited to the Debt Service Fund in accordance with Title 15, Chapter 9, Article 7 of the Arizona Revised Statutes. The District is statutorily permitted to invest monies in the Debt Service Fund only in the investments set forth in Arizona Revised Statutes 15-1025, which include, with certain restrictions, bonds issued or guaranteed by the United States of America (the "United States") or any of its agencies or instrumentalities when such obligations are guaranteed as to principal and interest by the United States or by any agency or instrumentality thereof, bonds of the State or any Arizona county, city, town, or school district, certain bonds of any Arizona county, municipality or municipal district utility, certain bonds of any Arizona municipal improvement district, federally insured savings accounts or certificates of deposit, and bonds issued by federal land banks, federal intermediate credit banks, or banks for cooperatives. All earnings derived from such investments are credited to the Debt Service Fund. The statutes governing investment of monies in the Debt Service Fund are subject to change. The District does not monitor the manner in which the Treasurer of the County invests monies in the Debt Service Fund.

Except to the extent any bond proceeds are deposited to the Debt Service Fund and except as otherwise described above, neither the proceeds of the sale of the Bonds nor any school property of the District are security for, or a source of payment of, principal of or interest, on the Bonds.

SOURCES AND USES OF FUNDS

Sources

Principal Amount	$48,835,000.00*
[Net] Original Issue Premium *(a)*	
Total Sources of Funds	$

Uses

Deposit to the Trust	$
Costs of Issuance *(b)*	
Deposit to Debt Service Fund	
Total Uses of Funds	$

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* *Subject to change.*

(a) Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.

(b) Will include bond insurance premium, if any, compensation and costs of the Underwriters (as defined herein) with respect to the Bonds.

ESTIMATED DEBT SERVICE REQUIREMENTS*

The following table illustrates the (i) estimated annual debt service on the outstanding bonds of the District, net of the Bonds Being Refunded; (ii) estimated annual debt service on the Bonds; and (iii) total estimated annual debt service on all bonds of the District outstanding after the issuance of the Bonds.

TABLE 1

Schedule of Estimated Annual Debt Service Requirements *(a)*
Tucson Unified School District No. 1

	Bonds Outstanding *(b)*		The Bonds		Total Estimated Annual
Fiscal Year	Principal	Interest	Principal	Interest *(c)*	Debt Service Requirements
2017/18	$ 10,520,000	$ 7,582,005		$ 988,505 *(d)(e)*	$ 19,090,510
2018/19	10,850,000	7,138,253		1,944,600 *(e)*	19,932,853
2019/20	11,240,000	6,646,158		1,944,600 *(e)*	19,830,758
2020/21	7,735,000	2,966,551	$3,995,000	1,944,600	16,641,151
2021/22	8,310,000	2,580,400	4,180,000	1,824,750	16,895,150
2022/23	8,825,000	2,165,550	4,265,000	1,741,150	16,996,700
2023/24	7,115,000	1,724,300	4,445,000	1,613,200	14,897,500
2024/25	10,280,000	1,379,000	4,625,000	1,479,850	17,763,850
2025/26	11,360,000	865,000	4,905,000	1,248,600	18,378,600
2026/27	9,900,000	297,000	5,190,000	1,003,350	16,390,350
2027/28			5,465,000	743,850	6,208,850
2028/29			5,700,000	470,600	6,170,600
2029/30			6,065,000	242,600	6,307,600
	$ 96,135,000		$ 48,835,000		

* *Subject to change.*

(a) *Prepared by Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor").*

(b) *Net of Bonds Being Refunded, except for interest due on the Bonds Being Refunded until the Crossover Date. Interest is without reduction for federal interest subsidy payments related to certain of the outstanding bonds that were issued as taxable bonds under the Build America Bond program. See footnote (c) to TABLE 12.*

(c) *Interest is estimated at 4.20%.*

(d) *The first interest payment on the Bonds will be due on July 1, 2018*. Thereafter, interest payments will be made semiannually on January 1 and July 1 until maturity or prior redemption.*

(e) *Prior to the Crossover Date, interest on the Bonds is payable from monies and Government Obligations paid for with premium on the Bonds deposited into the Trust Account. See "SECURITY FOR AND SOURCES OF PAYMENTS OF THE BONDS" herein.*

LITIGATION

The District is potentially liable with respect to a number of lawsuits and other claims incidental to the ordinary course of its operations. Legal counsel to the District has advised District management of the nature and extent of the pending and threatened claims against the District. In the opinion of District management, such matters will not have a materially adverse effect on the District's ability to pay debt service on the Bonds.

No litigation or administrative action or proceeding is pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings, Inc. ("Fitch") have assigned the ratings of "___" and "__," respectively, to the Bonds. Such ratings reflect only the views of Moody's and Fitch. An explanation of the significance of a rating assigned by Moody's may be obtained at One Front Street, Suite 1900, San Francisco, California 94111. An explanation of the significance of a rating assigned by Fitch may be obtained 111 Congress Avenue, Suite 2010, Austin, Texas 78701. Such ratings may be revised downward or withdrawn entirely at any time by Moody's and Fitch, if, in their respective judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings by Moody's or Fitch may have an adverse effect on the market price of the Bonds. The District has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein.

BOND INSURANCE AND RELATED RISK FACTORS

The District intends to apply, or has applied, to bond insurance companies (each a "Bond Insurer") for a municipal bond insurance policy (the "Policy") for the Bonds to guarantee the scheduled payments of principal of and interest on the Bonds. A commitment to provide the Policy has not been issued, and representatives of the District have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the District ultimately determines to obtain the Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from ad valorem property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Financial Advisor, the Underwriters, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LEGAL MATTERS

The Bonds are sold with the understanding that the District will furnish the Underwriters with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest thereon (see "TAX EXEMPTION"). The signed legal opinion of Bond Counsel is dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel, the Financial Advisor and counsel to the Underwriters are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX F – "FORM OF APPROVING LEGAL OPINION." The legal opinion to be delivered may vary from the text of APPENDIX F – "FORM OF APPROVING LEGAL OPINION" if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings "THE BONDS," "PLAN OF REFINANCING," "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," "BOND PREMIUM," "RELATIONSHIP AMONG PARTIES" (but only as it applies to Bond Counsel) and "CONTINUING DISCLOSURE" (except as it relates to compliance with prior continuing disclosure undertakings) and in APPENDICES F – "FORM OF APPROVING LEGAL OPINION" and G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verified any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, LLP, counsel to the Underwriters.

Currently and from time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of school districts which could have a material impact on the District and could adversely affect the secondary 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 obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District as described below, interest income on the Bonds is excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest income on the Bonds is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of initial delivery of the Bonds. The form of such opinion is included as APPENDIX F – "FORM OF APPROVING LEGAL OPINION" attached hereto.

The Internal Revenue Code of 1986, as amended, (the "Code") imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes, under certain circumstances, from the date of initial issuance. The Bonds do not provide for an adjustment in the interest rate or yield in the event of taxability and an event of taxability does not cause an acceleration of the principal on the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants.

The Code also imposes an "alternative minimum tax" upon certain corporations and individuals. A taxpayer's "alternative minimum taxable income" ("AMTI") is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMTI of individuals or corporations.

Notwithstanding the preceding sentence, 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 (if any) of the corporation's "adjusted current earnings" over the corporation's AMTI for the taxable year (determined without regard to such adjustment for excess book income and the alternative tax net operating loss deduction). A corporation's "adjusted current earnings" includes all tax-exempt interest, including the interest on the Bonds.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a Beneficial Owner's (as defined in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM") federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Bonds, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner's particular tax status and the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

Currently and from time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver an opinion substantially different from the opinion shown in APPENDIX F – "FORM OF APPROVING LEGAL OPINION". The extent of change in Bond Counsel's opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 1, 20___ through and including July 1, 20___ (collectively, the "Discount Bonds"), are less than the respective amounts payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Discount Bonds was sold, the "OID Issue Price") of the Discount Bonds and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the OID Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner's tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.
The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in "TAX EXEMPTION" herein.

Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local taxes.

BOND PREMIUM

The initial public offering price of the Bonds maturing on July 1, 20__ through and including July 1, 20__ (collectively, the "Premium Bonds") are greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

UNDERWRITING

The Bonds will be purchased by RBC Capital Markets, LLC and Piper Jaffray & Co. (together, the "Underwriters") at an aggregate purchase price of $_____________, pursuant to a bond purchase agreement (the "Bond Purchase Agreement") entered into by and among the District and the Underwriters. If the Bonds are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriters' compensation will be $____________. The Bond Purchase Agreement provides that the Underwriters will purchase all of the Bonds so offered if any are purchased. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed, from time to time, by the Underwriters.

RBC Capital Markets, LLC ("RBC") has provided the following information for inclusion in this Official Statement: RBC and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBC and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBC and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the City. RBC and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the City. RBC and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

Piper Jaffray & Co. ("Piper") has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings, including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase the Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co sells.

RELATIONSHIP AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriters and the Financial Advisor with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriters and the Financial Advisor and may do so in the future. Bond Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the District territorially overlaps. Counsel to the Underwriters has previously acted as bond counsel with respect to other bonds underwritten by the Underwriters and the Financial Advisor and may continue to do so in the future if requested.

CONTINUING DISCLOSURE

The District will covenant for the benefit of certain owners of the Bonds to provide certain financial information and operating data relating to the District for the prior fiscal year of the District by no later than February 1 in each year commencing February 1, 2018 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA") as described in APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is set forth in APPENDIX G. These covenants will be made in order to assist the Underwriters in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer 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. *Pursuant to Arizona law, the* *ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds specifically their market price and transferability.

The District previously entered into continuing disclosure undertakings (the "Prior Undertakings") with respect to certain previously issued bonds, which require the filing on or before February 1 of each year of financial information and certain operating data of the District (the "Prior Annual Reports"). The District was required to file the Prior Annual Report for fiscal year ending June 30, 2013 by February 1, 2014, but such Prior Annual Report was not filed until March 14, 2014. In addition, the Prior Annual Reports failed to include certain operating data required by the Prior Undertakings regarding the District that has subsequently been filed with EMMA. The District did not disclose the items stated above in the official statements associated with certain previously issued school improvement bonds of the district. The District did not file notice of the late filing. The District did not always file notice of rating changes in a timely manner, and in one case did not file notice of a rating change for one of its bond insurers that occurred in March 2014 until July 26, 2016. The Prior Annual Report for fiscal year ending June 30, 2012 was not properly linked to all CUSIP numbers but has since been properly linked to all CUSIP numbers. The District did not file notices of failure to file with respect to certain of the instances of noncompliance identified above. ***[To be updated upon receipt of third party continuing disclosure report.]***

The District reviewed its filing requirements pursuant to the Prior Undertakings and has implemented procedures to facilitate compliance with all future undertakings and Prior Undertakings in all material respects. ***[To be confirmed with the District.]***

FINANCIAL ADVISOR

The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor has not verified, and does not assume any responsibility for, the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: "The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information."

GENERAL PURPOSE FINANCIAL STATEMENTS

The comprehensive annual financial report of the District for the fiscal year ended June 30, 2016, a copy of which is included in APPENDIX C – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016" of this Official Statement, includes the District's financial statements for the fiscal year ended June 30, 2016 that were audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm, to the extent indicated in its report thereon. **The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.** The financial statements are not current and may not represent the current financial condition of the District.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All financial and other information in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OF PIMA COUNTY, ARIZONA

By: ____
President of the Governing Board

APPENDIX A

THE DISTRICT –
DISTRICT INFORMATION

General Information

The District was formed by the unification of Tucson Elementary School District No. 1 and Tucson High School District No. 1 on July 1, 1976. The District encompasses approximately 230 square miles in the south-central portion of the State. The District overlaps a large portion of the City of Tucson, Arizona (the "City"), the second largest city in the State, and the City of South Tucson, Arizona. See APPENDIX D – "CITY OF TUCSON, ARIZONA" for information pertaining to the City. See APPENDIX E – "PIMA COUNTY, ARIZONA" for information pertaining to the County. The District serves an estimated population of 474,859.

Enrollment

The following chart illustrates the current and historical average daily membership of the District's student population.

TABLE 2

AVERAGE DAILY MEMBERSHIP
Tucson Unified School District No. 1

Fiscal Year	A.D.M. *(a)*
2017/18 *(b)*	44,009
2016/17	44,926
2015/16	45,351
2014/15	45,944
2013/14	46,794
2012/13	48,325

(a) *A.D.M. means average daily membership and is computed by taking the average number of students enrolled over the first 100 days of the school year.*

(b) *40th Day A.D.M.*

Source: The Arizona Department of Education and the District.

Facilities

The District currently operates 10 traditional high schools (two schools are located on one campus) and 4 alternative schools (2 high schools, 1 middle school and a direct-link pre-kindergarten through grade 12), 10 traditional middle schools and 50 elementary schools for students in pre-kindergarten through grade 5; and 13 schools serving kindergarten through grade 8.

Administration and Governance

Presently, the District provides for the employment of 159 principals and administrators, 2,864 classified personnel and 2,995 certified in-classroom personnel. This provides the District with a student-to-teacher ratio of approximately 24:1 for kindergarten through first grade, 27:1 for elementary schools, 27:1 for middle schools and 27:1 for high schools.

The District is governed by a five-member Governing Board and administered by one Superintendent. The members of the Governing Board are elected at-large. The present members of the Governing Board are:

TABLE 3

GOVERNING BOARD
Tucson Unified School District No. 1

Michael Hicks, *President*
Dr. Mark Stegeman, *Clerk*
Adelita S. Grijalva*, Member*
Kristel Ann Foster, *Member*
Rachael Sedgwick, *Member*

Desegregation Order and Funding *[To be discussed and updated after due diligence call]*

The District is currently subject to court supervision pursuant to a desegregation order, termed a Unitary Status Plan (the "USP"), entered in two consolidated school desegregation cases originally filed in 1974. The most recent version of the USP contains a comprehensive set of operational and reporting measures the District must undertake in order to advance the goals of desegregation, achieve "unitary status" and ultimately terminate court supervision. Compliance with the USP requires substantial annual expenditures. Additionally, the District incurs certain expenditures each year to comply with an administrative agreement reached with the Office of Civil Rights ("OCR") of the United States Department of Education, relating to English language learners.

Arizona Revised Statutes § 15-910(G) allows school districts to budget for "expenses of complying with or continuing to implement activities which were required or permitted by a court order of desegregation or administrative agreement with the United States department of education office for civil rights" outside their revenue control and capital outlay revenue limits. This allows Arizona school districts to obtain additional funding through local property taxes for desegregation and OCR purposes. The statute caps § 910(G) budgets at fiscal year 2008/09 level; for the District, this was approximately $63.7 million. The District's § 910(G) budget for fiscal years 2017/18, 2016/17 and 2015/16 is approximately $60.6 million, $63.7 million and $63.7 million, respectively.

Arizona school districts are required to report their §910(G) spending in their annual financial reports submitted to the Arizona Department of Education. Periodically, districts must also send the Arizona Department of Education a copy of their court orders or agreements and other documentation. Beginning in fiscal year 2003/04, Arizona school districts, including the District, began reporting specified information to the State Governor, legislators and legislative education committee chairpersons once every two years.

APPENDIX B

THE DISTRICT –
FINANCIAL INFORMATION

PROPERTY TAXES

As described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," for the purpose of paying the principal of and interest on the Bonds and costs of administration of the Bonds, the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, ad valorem property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due, limited as described under such heading with respect to the Refunding Bonds.

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes." Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire, road improvement and joint technological education districts are "secondary taxes." See "Primary Taxes" and "Secondary Taxes" below. The State's ad valorem property tax levy and collection procedures are summarized under this heading "PROPERTY TAXES."

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the "Department of Revenue"). Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value ("Full Cash Value") is statutorily defined to mean "that value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value ("Limited Property Value") is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. For locally assessed property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. Prior to 2015, Limited Property Value for a specific property parcel in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, increased by the greater of either 10% of the prior year's Limited Property Value or 25% of the difference between the prior year's Limited Property Value and the current year's Full Cash Value. A separate Limited Property Value was not and is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 4

Property Tax Assessment Ratios (Tax Year)

Property Classification *(a)*	2013	2014	2015	2016	2017
Mining, utilities, commercial and industrial	19.5%	19%	18.5%	18%	18%
Agricultural and vacant land	16	16	16	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property *(b)*	15	16	15	14	15

(a) *Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.*

(b) *This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Primary Taxes

Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). "Net Limited Assessed Property Value" is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes

Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. (Prior to tax year 2015, secondary taxes were levied against "Net Full Cash Assessed Value" which is determined by excluding the value of property exempt from taxation from Full Cash Assessed Value of both locally assessed and centrally valued property and combining the resulting two amounts.) There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. **As Net Full Cash Assessed Value was used as the basis for levying taxes for payment of bonds like the Bonds in fiscal years prior to fiscal year 2015/16, this Official Statement compares Net Limited Assessed Property Value with Net Full Cash Assessed Value in applicable years under the heading "ASSESSED VALUATIONS AND TAX RATES" herein.**

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 5

Real and Secured Property Taxes Levied and Collected *(a)*
Tucson Unified School District No. 1

Fiscal Year	District Tax Rate	District Tax Levy	Collected to June 30 of Initial Fiscal Year Amount	% of Levy	Cumulative Collections to November 17, 2017 Amount	% of Levy
2017/18	$6.9218	$ 171,842,884	*(b)*	*(b)*	$ 60,753,351	35.35 %
2016/17	7.1258	175,019,179	$ 169,670,801	96.94 %	171,778,240	98.15
2015/16	7.3425	174,131,714	166,725,698	95.75	173,392,224	99.58
2014/15	7.5094	175,431,130	168,003,897	95.77	174,453,246	99.44
2013/14	7.4319	189,252,972	181,030,206	95.66	188,280,198	99.49
2012/13	7.3187	202,743,291	193,939,311	95.66	201,791,236	99.53

(a) *Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *2017/18 taxes in course of collection:*
First installment due 10-01-17, delinquent 11-01-17;
Second installment due 03-01-18, delinquent 05-01-18.

Source: Office of the Treasurer of the County.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

ASSESSED VALUES AND TAX RATES

TABLE 6

Direct and Overlapping Net Limited Assessed Property Values and Tax Rates *(a)*
Per $100 Assessed Valuation

Overlapping Jurisdiction	2017/18 Net Limited Assessed Property Value	2017/18 Combined Primary and Secondary Tax Rates per $100 Net Limited Assessed Property Value
State of Arizona	$ 59,406,279,473	$0.0000
Pima County	8,074,957,717	5.6471*(b)*
Pima County Community College District	8,074,957,717	1.3890
Pima County Fire District Assistance Tax	8,074,957,717	0.0459
Pima County Library District	8,074,957,717	0.5053
Pima County Flood Control District *(c)*	7,373,372,757	0.3135
Central Arizona Water Conservation District *(d)*	8,074,957,717	0.1400
Drexel Heights Fire District	199,065,465	3.2500
Hidden Valley Fire District	26,879,314	0.7921
Northwest Fire District	1,080,073,267	3.0734
Sabino Vista Fire District	31,449,740	1.2245
Tucson Country Club Estates Fire District	19,604,447	0.9822
City of South Tucson	21,943,650	0.2487
City of Tucson	3,326,014,485	1.4342
Pima County Joint Technical Education District *(d)*	7,662,220,610	0.0500
Tucson Unified School District No. 1	3,215,767,737	6.9218

(a) *The following overlapping jurisdiction is taxed as follows:*

Overlapping Jurisdiction	*Levy/Tax Rate*
City of Tucson Business Improvement District	*$509,611*
Central Arizona Groundwater Replenishment District – Category 1	*$758 / acre-feet*[(1)]

[(1)] The Central Arizona Groundwater Replenishment District ("CAGRD") does not levy an ad valorem property tax, but each parcel of member land is subject to a charge, collected as a property tax, based on the amount of groundwater withdrawn and not replenished for that parcel.

(b) *Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at $0.4875 per $100 Net Limited Assessed Property Value for fiscal year 2017/18. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.*

(c) *The assessed value of the Pima County Flood Control District does not include the personal property assessed valuation of the County.*

(d) *Represents only the County portion of such district.*

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and Treasurer of the County.

Total Tax Rates Per $100 Net Limited Assessed Property Value

The total overlapping property tax rate for property owners within the District (exclusive of those described in footnote (a) to TABLE 6) ranges from $15.0126 to $19.8168 per $100 Net Limited Assessed Property Value, depending upon the specific taxing jurisdictions which overlap the property.

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, the Arizona Department of Revenue and Treasurer of the County.

TABLE 7A

Net Limited Assessed Property Value by Property Classification (a)
Tucson Unified School District No. 1

Class	2017/18	2016/17	2015/16
Commercial, industrial, utilities and mines	$ 1,034,126,227	$ 965,433,532	$ 976,879,851
Agricultural and vacant	77,546,462	94,872,106	105,330,815
Residential (owner occupied)	1,390,537,836	1,328,794,436	1,268,031,039
Residential (rental)	675,985,879	656,086,204	641,672,481
Railroad	2,685,155	2,253,975	2,699,156
Historical property	33,963,864	32,805,996	30,975,439
Commercial historical property	922,314	923,334	1,025,994
Totals *(b)*	$ 3,215,767,737	$ 3,081,169,583	$ 3,026,614,777

(a) *Determined by Net Limited Assessed Property Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Limited Assessed Property Value for fiscal years 2015/16 and thereafter.*

(b) *Totals may not add up due to rounding.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 7B

Net Full Cash Assessed Value by Property Classification (a)
Tucson Unified School District No. 1

Class	2014/15	2013/14
Commercial, industrial, utilities and mines	$ 1,025,364,280	$ 1,036,430,609
Agricultural and vacant	114,157,316	119,316,810
Residential (owner occupied)	1,254,450,188	1,337,932,939
Residential (rental)	601,425,570	503,614,469
Railroad	2,688,000	2,385,858
Historical property	29,425,800	28,455,449
Commercial historical property	1,181,484	1,200,770
Certain government property improvements	6,156	19,506
Totals *(b)*	$ 3,028,698,794	$ 3,029,356,410

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

(b) *Totals may not add up due to rounding.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 8

Net Limited Assessed Property Value of Major Taxpayers
Tucson Unified School District No. 1

Major Taxpayer *(a)*	2017/18 Net Limited Assessed Property Value	As % of Net Limited Assessed Property Value
Unisource Energy Corporation	$ 68,725,469	2.14%
SMSJ Tucson Holdings LLC	29,785,200	0.93
Southwest Gas Corporation	27,757,891	0.86
Qwest / Centurylink Communications LLC	20,039,286	0.62
Walmart Stores Incorporated	11,439,470	0.36
Starr Pass Resort Developments LLC	10,344,331	0.32
WC Partners 18.87% Et Al	7,877,887	0.24
TKG El Con Center LLC	7,828,766	0.24
El Dorado Hospital / TMC Holdings	7,731,691	0.24
AT&T Mobility LLC	6,769,698	0.21
	$ 198,299,689	6.17 %

(a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at http://www.sec.gov. No representative of the District, the Underwriters, the Financial Advisor, Bond Counsel or counsel to the Underwriters has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.*

Source: The Assessor of the County.

TABLE 9A

Comparative Net Limited Assessed Property Values (a)

Fiscal Year	Tucson Unified School District No. 1	City of Tucson	City of South Tucson	Pima County	State of Arizona
2017/18	$ 3,215,767,737	$ 3,326,014,485	$ 21,943,650	$ 8,074,957,717	$ 59,406,279,473
2016/17	3,081,169,583	3,185,496,639	20,396,998	7,816,826,920	56,573,588,295
2015/16	3,026,614,777	3,123,670,375	20,334,097	7,620,360,873	54,838,548,829

(a) *Determined by Net Limited Assessed Property Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Limited Assessed Property Value for fiscal years 2015/16 and thereafter.*

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 9B

Comparative Net Full Cash Assessed Values (a)

Fiscal Year	Tucson Unified School District No. 1	City of Tucson	City of South Tucson	Pima County	State of Arizona
2014/15	$ 3,028,698,794	$ 3,131,952,246	$ 21,566,232	$ 7,579,898,868	$ 55,352,051,074
2013/14	3,029,356,410	3,151,042,287	22,125,702	7,623,691,280	52,594,377,492

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 10

Estimated Net Full Cash Value History
Tucson Unified School District No. 1

Fiscal Year	Estimated Net Full Cash Value *(a)*
2017/18	$ 28,261,925,610
2016/17	27,003,331,012
2015/16	25,135,859,502
2014/15	23,820,840,006
2013/14	23,660,254,739

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

TABLE 11

Current Year Statistics (For Fiscal Year 2017/18)
Tucson Unified School District No. 1

Direct General Obligation Bonded Debt Outstanding and to be Outstanding	$ 144,970,000**(a)*
Net Limited Assessed Property Value	3,215,767,737
Net Full Cash Value	3,431,441,710
Estimated Net Full Cash Value	28,261,925,610

* *Subject to change.*

(a) *Includes the Bonds and is net of the Bonds Being Refunded. See footnote (b) to TABLE 13 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and the Assessor of the County.

TABLE 12

Direct General Obligation Bonded Debt Outstanding and to be Outstanding
Tucson Unified School District No. 1.

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding	Bonds Being Refunded*	Balance Outstanding and to be Outstanding*
2008D	$57,000,000	School improvements	2018	$ 2,000,000		$ 2,000,000 *(a)*
2010E-2*(c)*	67,230,000	School improvements	2030	63,655,000	$ (52,050,000)	11,605,000 *(a)*
2010	45,725,000	Refunding	2022	295,000		295,000 *(b)*
2011	28,115,000	Refunding	2024	19,520,000		19,520,000 *(a)*
2016	63,000,000	Refunding	2027	62,715,000		62,715,000 *(a)*
Total General Obligation Bonded Debt Outstanding						$ 96,135,000
Plus: The Bonds						48,835,000**(a)*
Total General Obligation Bonded Debt Outstanding and to be Outstanding						$ 144,970,000**(d)*

* *Subject to change.*

(a) *Designated as "Class B" as described in the following paragraph.*

(b) *Designated as "Class A" as described in the following paragraph.*

(c) *These bonds were issued as taxable bonds under the Build America Bond program for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government. Bonds issued under the Build America Bond program have had such subsidy payments reduced since federal fiscal year 2012/13. The subsidy payment in federal fiscal year 2017/18 will be reduced by*

6.6% due to sequestration reductions imposed by the federal government. Additional sequestration reductions or other reductions may be imposed by the federal government in future years. The District is required to pay the shortfall in the interest payments caused by the reduction.

(d) See footnote (b) to TABLE 13 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.

Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance
Tucson Unified School District No. 1

Arizona school district general obligation bonds are subject to two limits: the constitutional debt limit on all general obligation bonds and the statutory debt limit on Class B bonds. Net Full Cash Assessed Value is used as the basis for determining the debt limits of the District. "Class B" designates, for the purpose of this statutory limit, those bonds authorized at elections held after December 31, 1998. The security and source of payment for Class B bonds is the same as Class A bonds (those authorized at elections held prior to December 31, 1998 or bonds issued to refund those bonds). TABLE 13 shows the unused constitutional capacity and TABLE 14 shows the unused Class B statutory capacity after issuance of the Bonds.

TABLE 13

2017/18 Arizona Constitutional Debt Limitation (30% of Net Full Cash Assessed Value)	$1,029,432,513
Less: Class A Bonds Outstanding	(295,000)
Less: Class B Bonds Outstanding and to be Outstanding *(a)*	(144,675,000)*
Less: Original Issue Premium *(b)*	(10,533,063)*
Unused Constitutional Borrowing Capacity	$873,929,450 *

* *Subject to change.*

(a) Includes the Bonds and is net of the Bonds Being Refunded.

(b) This amount reduces in equal amount the constitutional and statutory debt capacity of the District. Such capacity will be recaptured as the premium is amortized.

TABLE 14

2017/18 Statutory Limitation on Bonds [Greater of 20% of the Net Full Cash Assessed Value ($686,288,342) or $1,500 per student ($67,389,000)]	$686,288,342
Less: Class B Bonds Outstanding and to be Outstanding *(a)*	(144,675,000)*
Less: Original Issue Premium *(b)*	(10,533,063)*
Unused Statutory Borrowing Capacity	$531,080,279 *

* *Subject to change.*

(a) Includes the Bonds and is net of the Bonds Being Refunded.

(b) See footnote (b) to TABLE 13 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.

TABLE 15

Direct and Overlapping General Obligation Bonded Debt
Tucson Unified School District No. 1

Overlapping Jurisdiction	General Obligation Bonded Debt *(b)*	Proportion Applicable to the District *(a)* Approximate Percent	Net Debt Amount
State of Arizona	None	5.41%	None
Pima County	$ 321,285,000	39.82	$ 127,935,687
Pima County Community College District	None	39.82	None
Drexel Heights Fire District	None	98.93	None
Northwest Fire District	35,190,000	9.25	3,255,075
City of South Tucson	None	100.00	None
City of Tucson	200,270,000	73.28	146,757,856
Tucson Unified School District No. 1 *(c)*	144,970,000*	100.00	144,970,000*
Net Direct and Overlapping General Obligation Bonded Debt			$ 422,918,618*

* *Subject to change.*

(a) *Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2017/18.*

(b) *Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and City improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement districts.*

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	*General Obligation Bonds Authorized but Unissued*
Pima County	*$25,681,000*
Drexel Heights Fire District	*20,000,000*
Northwest Fire District	*9,000,000*

(c) *Includes the Bonds and is net of the Bonds Being Refunded.*

Source: The various entities, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and the Assessor of the County

TABLE 16

Direct and Overlapping General Obligation Bonded Debt Ratios
Tucson Unified School District No. 1

	Per Capita Bonded Debt Population Estimated @ 474,859	As % of District's 2017/18 Net Limited Assessed Property Value	As % of District's 2017/18 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt**(a)*	$ 305.29	4.51%	0.51%
Net Direct and Overlapping General Obligation Debt**(a)*	890.62	13.15	1.50

* *Subject to change.*

(a) *Includes the Bonds and is net of the Bonds Being Refunded.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, U.S. Census Bureau, American Fact Finder.

TABLE 17

Other Obligations
Tucson Unified School District No. 1

Item	Outstanding Payment Amount	Periods Due
18 Buses	$ 250,012	Annually through January 2018
Technology equipment	474,229	Annually through February 2018
23 Buses	490,536	Annually through September 2018
Computer equipment	29,897	Quarterly through March 2020
30 Buses	662,394	Annually through July 2021
Energy projects QSCB Bonds *(a)*	1,387,079	Semi-annually through July 2029

(a) *The District may refinance such lease by the end of December 2017.*

DISTRICT EMPLOYEE RETIREMENT SYSTEM

Retirement Plan

The District's employees are covered by the Arizona State Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit plan. The annual contribution rates are determined by the System's actuary, with minimum employer and employee rate requirements of not less than 2.00%. For fiscal year 2018/19, the District's and its employee's annual contribution is estimated at 11.80% (11.64% Retirement Pension and Heal Insurance Benefit, 0.16% Long Term Disability Income Plan) for payroll amounts. For fiscal year 2017/18, the District's and its employees' annual contribution will be 11.50% (11.34% Retirement Pension and Health Insurance Benefit, 0.16% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2016/17, the District's and its employees' annual contribution was 11.48% (11.34% Retirement Pension and Health Insurance Benefit and 0.14% Long Term Disability Income Plan) of payroll amounts. See Note 14 in APPENDIX C – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016" for further discussion of the District and its employees' obligations to the System as of June 30, 2015.

The System's actuarially assumed rate of return is 8%. The most recent actuarial valuations for the System may be accessed at: https://www.azasrs.gov/content/annual-reports.

The Governmental Accounting Standards Board adopted Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires cost-sharing employers to report their "proportionate share" of the plan's net pension liability in their government-wide financial statements. GASB 68 also requires that the cost-sharing employer's pension expense component include its proportionate share of the System's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. Both the District and each covered employee contribute to the System. As of June 30, 2016, the District reported a liability of $401.0 million dollars for its proportionate share of its net pension liability under the System. Such net pension liability was measured as of June 30, 2015. See Note 14 in APPENDIX C – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016" for further discussion of the District and its pension liability as of June 30, 2015.

Other Post-Employment Benefits

Pursuant to Governmental Accounting Standards Board Statement Number 45, *Accounting by Employers for Post-Employment Benefits Other than Pensions* ("GASB 45"), the District is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees and, to the extent such costs are not pre-funded, will require the reporting of such costs as a financial statement liability.

The District currently does not offer any OPEB. The District's employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the State. The benefits are available to all retired participants in the State's health care program. The District does not currently make payments for OPEB costs for such retirees.

REVENUES AND EXPENDITURES

The following information of the District was derived from the annual expenditure budgets of the District for fiscal year 2017/18, unaudited figures for fiscal year 2016/17 and the audited financial statements of the District for fiscal years 2011/12 through and including 2015/16. (State law no longer requires school districts to file revenue budgets.) Budgeted figures for fiscal year 2017/18 and estimated actual figures for fiscal year 2016/17 are on a cash basis and are presented in the format required by State law. Figures for fiscal years 2017/18 and 2016/17 are "forward looking" statements that may not be realized during the course of the respective fiscal year as presented herein and thus must be viewed with an abundance of caution. Audited figures for fiscal years 2011/12 through and including 2015/16 are on a modified accrual basis. The presentation which follows has not been independently subject to any audit procedures.

The following information should be read in conjunction with the audited financial statements of the District. **See APPENDIX C for the District's most recent audited general purpose financial statements, which are for fiscal year ended June 30, 2016.** Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.**

TABLE 18

General Fund
Tucson Unified School District No. 1

	Budgeted 2017/18 *(a)*	Est Actual 2016/17 *(b)*	Audited *(a)* 2015/16	2014/15	2013/14	2012/13	2011/12
FUND BALANCE AT BEGINNING OF YEAR		$ 32,403,903	$ 29,520,228	$ 31,941,542	$ 32,466,579	$ 46,645,741	$ 44,189,704
REVENUES							
Other local		$ 16,881,704	$ 16,864,780	$ 15,940,502	$ 17,514,624	$ 17,184,549	$ 16,492,730
Property taxes		157,234,989	140,929,717	144,010,589	150,132,465	163,293,155	156,813,070
State aid and grants		137,195,255	143,044,757	128,771,801	130,860,704	125,983,898	141,902,477
Federal aid, grants and reimbursements		4,506,633	3,831,545	2,158,284	3,078,364	2,650,394	2,601,715
TOTAL REVENUES		$ 315,818,581	$ 304,670,799	$ 290,881,176	$ 301,586,157	$ 309,111,996	$ 317,809,992
ADJUSTMENTS							
Increase/(decrease) in reserve for inventory		$ 229,369	$ (35,310)	$ 166,548	$ 47,024	$ (341,856)	$ 385,410
Increase/(decrease) in reserve for prepaid items		-	-	-	-	-	(1,205,577)
Insurance revoveries		143,072	-	-	-	-	-
Transfers in		2,494,071	3,066,498	1,722,871	2,424,338	3,251,236	1,904,315
Transfers out		(12,814,065)	(2,101,229)	(29,822)	(4,352,720)	-	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		$ 338,274,931	$ 335,120,986	$ 324,682,315	$ 332,171,378	$ 358,667,117	$ 363,083,844
EXPENDITURES							
Current							
Instruction	$ 120,849,046	$ 148,406,913	$ 144,298,810	$ 136,390,439	$ 141,676,813	$ 158,122,216	$ 149,453,020
Support services:							
Students and instructional staff	31,395,728	48,077,502	47,719,146	47,279,017	48,361,158	51,368,380	49,835,549
General and school administration	20,555,644	26,001,181	40,561,737	39,764,323	38,099,153	39,516,705	38,356,067
Business and central services	8,061,057	18,821,449	-	-	-	-	-
Operation & maintenance of plant services	44,884,666	48,421,991	47,252,702	49,034,520	48,679,052	52,087,708	54,064,802
Student transportation	12,356,217	22,143,097	21,871,345	21,903,465	22,346,124	23,401,373	23,268,330
Operation of non-instructional services	474,333	602,988	651,627	624,803	577,283	470,130	482,262
School-sponsored athletics	2,316,970	-	-	-	-	-	-
School-sponsored cocurricular activities	382,278	-	-	-	-	-	-
Desegregation	60,593,131	-	-	-	-	-	-
Dropout prevention program	754,910	-	-	-	-	-	-
K-3 reading program	502,844	-	-	-	-	-	-
Auxiliary operations	1,544,158	-	-	-	-	-	-
Food service	20,522,520	-	-	-	-	-	-
Other	8,687,103	-	-	-	-	-	-
Capital outlay	-	726,891	361,716	165,520	490,253	982,256	810,216
Debt service:							
Principal retirement	-	-	-	-	-	239,932	154,368
Interest and fiscal charges	-	-	-	-	-	11,838	13,489
TOTAL EXPENDITURES	$ 333,880,605	$ 313,202,012	$ 302,717,083	$ 295,162,087	$ 300,229,836	$ 326,200,538	$ 316,438,103
FUND BALANCE AT END OF YEAR		**$25,072,919**	**$ 32,403,903**	**$ 29,520,228**	**$ 31,941,542**	**$ 32,466,579**	**$ 46,645,741**

(a) *Budgeted figures for fiscal years 2017/18 include the student success, Medicaid reimbursement, impact aid, auxiliary operations, gifts and donations, insurance proceeds, indirect costs, advertisement, district services, intergovernmental agreements, food service, and litigation recovery funds.*

(b) *Reflects the District's budgeted figures for fiscal year 2017/18, which are not adjusted for ongoing actual results and unaudited figures for fiscal year 2016/17, which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.*

TABLE 19

Other Governmental Funds
Tucson Unified School District No. 1

	Budgeted 2017/18 *(a)*	Est Actual 2016/17 *(b)*	Audited *(a)* 2015/16	2014/15	2013/14	2012/13	2011/12
FUND BALANCE AT BEGINNING OF YEAR		$ 43,751,212	$ 47,360,643	$ 29,656,380	$ 41,810,160	$ 79,258,572	$ 121,843,894
REVENUES							
Other local		$ 15,086,392	$ 13,107,035	$ 13,327,934	$ 11,616,434	$ 11,484,343	$ 12,001,624
Property taxes		255,784	13,943,844	18,017,850	2,952,342	6,284,621	2,686,559
State aid and grants		27,802,823	28,880,667	36,605,520	22,599,935	21,734,592	17,524,082
Federal aid, grants and reimbursements		65,923,488	60,199,913	60,721,724	65,306,194	67,564,655	80,801,576
TOTAL REVENUES		$ 109,068,487	$ 116,131,459	$ 128,673,028	$ 102,474,905	$ 107,068,211	$ 113,013,841
ADJUSTMENTS							
Increase/(decrease) in reserve for inventory		$ (158,309)	$ (134,184)	$ (151,497)	$ 313,540	$ 10,524	$ 41,088
Increase/(decrease) in reserve for prepaid items		-	-	-	-	-	(9,339)
Transfers in		12,977,878	2,101,199	29,822	4,352,720	-	-
Transfers out		(2,657,884)	(3,066,491)	(1,722,871)	(2,424,338)	(3,273,496)	(1,904,315)
Capital lease agreements		-	-	32,321,798	19,425,678	7,526,101	11,525,165
Proceeds from sale of capital assets		2,838,216	1,426,879	-	-	48,617	101,083
Issuance of school improvement bonds		-	-	-	-	-	-
Premium on sale of bonds		-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		$ 165,819,600	$ 163,819,505	$ 188,806,660	$ 165,952,665	$ 190,638,529	$ 244,611,417
EXPENDITURES							
Current							
Instruction	$ 110,700,229	$ 57,676,377	$ 39,872,796	$ 42,630,793	$ 40,493,381	$ 42,386,407	$ 58,364,212
Support services:							
Students and instructional staff	1,754,854	17,002,805	14,535,739	12,556,197	14,567,004	17,033,094	20,745,905
General and school administration	1,369,976	180,908	1,995,234	2,315,045	2,813,817	3,419,087	3,014,721
Business and central services	-	1,883,477	-	-	-	-	-
Operation & maintenance of plant services	522,200	2,068,669	2,673,092	2,354,258	549,309	3,189,348	1,095,005
Student transportation services	57,000	231,152	252,415	248,365	280,072	274,869	185,830
Operation of noninstructional services	-	25,819,679	23,924,016	24,193,161	21,992,556	20,878,822	21,160,484
Capital outlay	-	15,825,241	25,987,328	46,735,330	44,840,159	56,435,313	55,887,867
Facilities, acquisition & construction	161,500	-	-	-	-	-	-
Other	74,382,070	-	-	-	-	-	-
Debt service:	5,741,214	-	-	-	-	-	-
Principal retirement	-	7,807,816	8,985,413	8,471,648	10,164,231	4,713,359	4,524,831
Interest and fiscal charges	-	1,531,412	1,842,243	1,941,220	595,756	498,070	373,990
Bond issuance costs	-	-	-	-	-	-	-
TOTAL EXPENDITURES	$ 194,689,043	$ 130,027,536	$ 120,068,276	$ 141,446,017	$ 136,296,285	$ 148,828,369	$ 165,352,845
FUND BALANCE AT END OF YEAR		**$ 35,792,064**	**$43,751,229**	**$ 47,360,643**	**$ 29,656,380**	**$ 41,810,160**	**$ 79,258,572**

(a) *Budgeted figures for fiscal years 2017/18 do not include the student success, Medicaid reimbursement, impact aid, auxiliary operations, gifts and donations, insurance proceeds, indirect costs, advertisement, district services, intergovernmental agreements, food service, and litigation recovery funds. These have been included in the budgeted figures for TABLE 18.*

(b) *Reflects the District's Budgeted figures for fiscal year 2017/18, which are not adjusted for ongoing actual results and unaudited figures for fiscal year 2016/17, which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.*

TABLE 20

Debt Service Fund
Tucson Unified School District No. 1

	Budgeted 2017/18 *(a)*	Est Actual 2016/17 *(a)*	Audited 2015/16	2014/15	2013/14	2012/13	2011/12
FUND BALANCE AT BEGINNING OF YEAR		$ 3,810,953	$ 2,076,171	$ 2,846,101	$ 7,446,172	$ 14,309,731	$ 12,057,907
REVENUES							
Other local		$ 78,478	$ 43,945	$ 81,563	$ 39,196	$ 57,527	$ 116,509
Property taxes		22,870,670	24,457,420	22,006,359	42,303,204	39,967,592	50,599,482
State aid and grants		688					
Federal aid, grants and reimbursements		1,261,508	1,262,863	1,256,088	1,257,444	1,296,061	1,355,003
TOTAL REVENUES		$ 24,211,344	$25,764,228	$ 23,344,010	$ 43,599,844	$ 41,321,180	$ 52,070,994
ADJUSTMENTS							
Issuance of refunding bonds		$ 63,000,000	$ -	$ -	$ -	$ -	$ 51,000,000
Premium on sale of bonds		12,203,632	-	-	-	-	3,738,599
Transfers in		-	43	-	-	22,260	-
Payment to refunded bond escrow agent		(74,611,042)	-	-	-	-	(54,314,359)
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		$ 28,614,887	$27,840,442	$ 26,190,111	$ 51,046,016	$ 55,653,171	$ 64,553,141
EXPENDITURES							
Debt Service:	$18,116,492						
Principal retirement		$ 13,350,000	$14,800,000	$ 14,315,000	$ 37,075,000	$ 35,630,000	$ 36,230,000
Interest, premium and fiscal charges		7,727,524	9,229,489	9,798,940	11,124,915	12,576,999	13,571,705
Bond issuance costs		587,030	-	-	-	-	441,705
TOTAL EXPENDITURES	$18,116,492	$ 21,664,554	$24,029,489	$ 24,113,940	$ 48,199,915	$ 48,206,999	$ 50,243,410
FUND BALANCE AT END OF YEAR		**$ 6,950,333**	**$3,810,953**	**$ 2,076,171**	**$ 2,846,101**	**$ 7,446,172**	**$ 14,309,731**

(a) *Reflects the District's Budgeted figures for fiscal year 2017/18, which are not adjusted for ongoing actual results and unaudited figures for fiscal year 2016/17, which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.*

APPENDIX C

THE DISTRICT

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following audited financial statements are for the fiscal year ended June 30, 2016. These are the most recent audited financial statements available to the District. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT.

Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.

APPENDIX D

CITY OF TUCSON, ARIZONA

The following information concerning the City of Tucson, Arizona (the "City") is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently, no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE CITY. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District, limited as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

General

The City is located in south-central Arizona and serves as the county seat of the County. The City encompasses approximately 226 square miles and is the population center for the County and southern Arizona.

The following table illustrates population statistics for the City.

POPULATION STATISTICS

Year	City of Tucson
2016 Estimate *(a)*	529,989
2010 Census	520,116
2000 Census	486,699
1990 Census	405,371
1980 Census	330,537
1970 Census	262,933

(a) Estimate as of July 2016, (data released in December 2016).

Source: Office of Employment & Population Statistics, Arizona Department of Administration and the U.S. Census Bureau.

Municipal Government and Organization

The City was established in 1822 and incorporated in 1877. The City operates pursuant to a council/manager form of government. In 1929, the Mayor and Council of the City amended the original City Charter, which was adopted in 1883, and implemented a ward system for City Council elections. Primary elections are conducted at the ward level to elect representatives to run in the general election. In the general election, a representative from each ward is elected from the candidates selected in the ward primaries. The Mayor is elected at large and, along with members of the Council, serves a four-year term.

The Mayor and Council are responsible for establishing City policies. The Mayor and Council appoint the City Manager who has full responsibility for carrying out policies of the Mayor and Council and administering day-to-day operations of the City.

Employment and Employers

Below are tables showing partial lists of major employers within the City's greater metropolitan area.

MAJOR INDUSTRIAL EMPLOYERS
Tucson Metropolitan Area

Employer	Product	Approximate Number of Employees
Raytheon Missile Systems	Missiles and components	9,600
Freeport-McMoran Copper & Gold Inc.	Mining	5,530
Asarco LLC	Mining	2,200
Ventana Medical Systems Inc.	Medical instrument mfg. & research	1,290
Bombardier Aerospace	Aerospace products	985
International Business Machine Corp. (IBM)	Manufacturing and research	900
Honeywell	Aerospace products	715
General Dynamics Information Technology	Military and defense	600
NatureSweet USA	Mining	600
Hexcel	Aerospace products	500
Northrop Grumman Corp	Military and defense	400
Texas Instruments Inc.	Manufacturing and research	370
Marana Aerospace Solutions	Aerospace products	365
CAID Industries	Fabrication	350
Sargent Aerospace & Defense	Aerospace products	310
Kalil Bottling Co.	Bottling	300
Mantech International	Military and defense	300
Modular Mining Systems	Mining	270

Source: Arizona Daily Star – 200, November 2017.

MAJOR NON-MANUFACTURING EMPLOYERS
Tucson Metropolitan Area

Employer	Product	Approximate Number of Employees
The University of Arizona	University level education	11,250
State of Arizona	State government	8,580
Davis Monthan Air Force Base	Air force base	8,410
Pima County, Arizona	Government	7,060
Tucson Unified School District No. 1	Education for grades K-12	6,770
Banner University Health Center	Health care	6,270
U.S. Customs and Border Patrol	U.S. Border protection	5,740
Wal-Mart Stores, Inc.	Discount retail	5,500
U.S. Army Intelligence Center & Fort Huachuca	U.S. Army Intelligence Center	5,480
City of Tucson	Government	4,600
Tohono O'Odham Nation	Tribal government	4,350
Carondelet Health Network	Inpatient and outpatient healthcare services	3,860
TMC Healthcare	Nonprofit, acute-care community hospitals	3,160
Southern Arizona VA Health Care System	Health care	2,460
Corrections Corp of America	Correctional facility	2,410
Fry's Food Stores	Groceries	2,350
Pima Community College	Education	2,240
Sunnyside Unified School District No. 12	Education for grades K-12	2,100

Source: Arizona Daily Star – 200, November 2017.

UNEMPLOYMENT RATE AVERAGES

The table below illustrates the unemployment rate averages for the City.

Calendar Year	City of Tucson *(a)*
2017 *(b)*	4.7%
2016	5.1
2015	5.7
2014	6.4
2013	7.2
2012	8.0

(a) *Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.*

(b) *Data through October 2017.*

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Education

The University of Arizona (the "University") was established in 1885 and is the oldest institution of higher education in the State. The University is also the second largest employer in the City. The University has 23 colleges and 22 schools offering over 300 undergraduate and graduate degree programs. The University had approximately 43,625 students enrolled for the Fall 2016 semester. This enrollment includes students in continuing education programs, interns and residents, postdoctoral programs and on-campus non-credit students.

Also located within the City is Pima County Community College, which is a branch of the Arizona State Community College System. Pima County Community College offers two-year academic, vocational and technical programs.

Commerce

The following table shows the retail sales collections for the City.

GROSS RETAIL SALES *(a)*
City of Tucson, Arizona
($000s omitted)

Fiscal Year	Retail Sales *(a)*
2015/16	$6,133,012
2014/15	5,804,257
2013/14	5,455,905
2012/13	5,336,971
2011/12	5,062,139

(a) The definition of "Retail Sales" is the business of selling tangible personal property at retail. Therefore, this class of transaction does not include hotels, restaurants or food sales, which are separate classes.

Source: City of Tucson, Arizona Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

Transportation

AIRLINES SERVING TUCSON INTERNATIONAL AIRPORT

Alaska Airlines	Southwest Airlines
American Airlines	Sun Country Airlines
Delta Airlines	United Airlines

Source: Tucson Airport Authority.

NUMBER OF PASSENGERS
ARRIVING AND DEPARTING
TUCSON INTERNATIONAL AIRPORT

Calendar Year	Arrivals	Departures	Total
2017 *(a)*	1,711,518	1,701,933	3,413,451
2016	1,618,304	1,610,085	3,228,389
2015	1,591,580	1,590,321	3,181,901
2014	1,618,618	1,621,231	3,239,849
2013	1,653,003	1,655,617	3,308,620
2012	1,823,737	1,826,046	3,649,783

(a) Data through October 2017.

Source: Tucson Airport Authority.

APPENDIX E

PIMA COUNTY, ARIZONA

The following information regarding the County is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE COUNTY. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District, limited as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

General

Pima County, Arizona (the "County") is located in the southern portion of the State of Arizona ("Arizona" or the "State"), with a section of its southern boundary bordering Mexico. Organized in 1864 by the Arizona Territorial Legislature as one of the State's four original counties, the County is today the second most populous county in Arizona with a 2016 estimated population of 1,013,103. Approximately 52% of the County's population resides in the City of Tucson, Arizona ("Tucson"), the County seat of government and southern Arizona's largest city.

The County encompasses approximately 9,184 square miles.

LAND OWNERSHIP
Pima County, Arizona

Control/Ownership	Percent of Land in County
Indian Reservation	42%
State of Arizona	15
Other Public Lands	17
Individuals or Corporations	14
U.S. Forest Service and Bureau of Land Management	12
Total	100.0%

Source: *Arizona County Profiles*, Arizona Department of Commerce.

Located within the County are the cities of Tucson and South Tucson, Arizona, and the towns of Marana, Oro Valley and Sahuarita, Arizona. The following table illustrates respective population statistics for the principal communities located within the County, the County and the State.

POPULATION STATISTICS

Year	City of Tucson	City of South Tucson	Town of Marana	Town of Oro Valley	Town of Sahuarita	Pima County	State of Arizona
2016 Estimate (a)	529,989	5,635	43,752	43,648	28,425	1,013,103	6,835,518
2010 Census	520,116	5,652	34,961	41,011	25,259	980,263	6,392,017
2000 Census	486,699	5,490	13,556	29,700	3,242	843,746	5,130,632
1990 Census	405,371	5,171	2,187	6,670	1,629	666,957	3,665,339
1980 Census	330,537	6,554	1,674	1,489	-	531,443	2,716,546
1970 Census	262,933	6,220	1,154	581	-	351,667	1,775,399

(a) Estimate as of July 2016 (data released December 2016).

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Organization

The governmental and administrative affairs of the County are carried out by a Board of Supervisors comprised of five members, each of whom serve four-year terms. The Board of Supervisors appoints a Chief Administrative Officer who is responsible for carrying out policies of the Board of Supervisors and administering operations of the County.

Economy

The economy of the County is based largely on a variety of service industries, trade, and government employment. Figures from the Arizona Department of Commerce indicate that 372,320 persons were employed, on average (not including the agricultural industry), in the County in the first ten months of 2017. The following table presents the County's average annual total employment by industry for the periods indicated.

The following tables illustrate the employment structure in the County.

LABOR FORCE AND NONFARM EMPLOYMENT *(a)*
Pima County, Arizona

	Percent of Total
Mining and construction	4.4%
Manufacturing	6.3
Trade, transportation and utilities	15.9
Information	1.3
Financial activities	4.8
Professional and business services	13.1
Educational and health services	17.6
Leisure and hospitality	12.2
Other services	4.1
Government	20.3
Total	100.0%

(a) Data through October 2017.

Source: Arizona Department of Commerce, Research Administration and the U.S. Department of Labor, Bureau of Labor Statistics.

LABOR FORCE AND NONFARM EMPLOYMENT
Pima County, Arizona

	2017 *(a)*	2016	2015	2014	2013	2012
Mining and construction	16,420	16,600	16,900	17,100	17,700	16,500
Manufacturing	23,520	23,200	22,600	22,500	23,000	23,200
Trade, transportation, and utilities	59,150	60,200	60,500	60,600	59,200	58,000
Information	4,920	5,000	4,500	4,400	4,500	4,500
Financial activities	17,720	17,200	17,200	17,500	17,300	16,900
Professional and business services	48,850	50,700	50,500	50,000	49,900	48,900
Educational and health services	65,350	64,700	62,700	61,500	61,600	61,000
Leisure and hospitality	45,460	44,200	42,900	41,600	40,100	40,300
Other Services	15,260	15,200	14,600	13,500	12,700	12,800
Government	75,670	76,400	76,200	77,000	77,200	77,700
	372,320	373,400	368,600	365,700	363,200	359,800

(a) Data through October 2017.

Source: Arizona Department of Commerce, Research Administration and the U.S. Department of Labor, Bureau of Labor Statistics.

The table below illustrates the unemployment rate averages for the County, the State and the United States.

UNEMPLOYMENT RATE AVERAGES

Calendar Year	Pima County *(a)*	State of Arizona *(a)*	United States of America
2017*(b)*	4.5%	4.9%	4.4%
2016	5.0	5.4	4.9
2015	5.6	6.1	5.3
2014	6.0	6.8	6.2
2013	6.8	7.7	7.4
2012	7.4	8.3	8.1

(a) *Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.*

(b) *Data through October 2017.*

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Retail Sales

The following table illustrates retail sales for the County.

TAXABLE RETAIL SALES
Pima County, Arizona
($000s omitted)

Calendar Year	Taxable Retail Sales *(a)*
2017 *(b)*	$7,385,024
2016	8,525,847
2015	8,413,970
2014	7,866,189
2013	7,608,383
2012	7,290,710

(a) *The statutory definition of "Retail Sales" is the business of selling tangible personal property at retail. Therefore, this class does not include services or hotels, restaurants or food sales.*

(b) *Data through October 2017.*

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

Bank Deposits

The following table illustrates bank deposits in the County.

BANK DEPOSITS
Pima County, Arizona
($s in millions)

Fiscal Year	Amount
2017	$15,266
2016	14,654
2015	13,760
2014	13,055
2013	12,762

Source: Federal Deposit Insurance Corporation.

APPENDIX F

FORM OF APPROVING LEGAL OPINION

[Closing Date]

GOVERNING BOARD
TUCSON UNIFIED SCHOOL DISTRICT
NO. 1 OF PIMA COUNTY, ARIZONA

We have examined the transcript of proceedings relating to the issuance by Tucson Unified School District No. 1 (the "*District*") of Pima County, Arizona (the "*County*"), of the District's $48,835,000* aggregate principal amount of its Refunding Bonds, Series 2017 (2020 Crossover) (the "*Bonds*"). The Bonds are dated the date of their initial issuance and delivery, and bear interest payable January 1 and July 1 of each year to maturity, commencing July 1, 2018*.

The Bonds are issued to refund, on a crossover basis, the District's School Improvement Bonds, Project of 2004, Federally Taxable Series E-2 (2010) (Build America Bonds – Direct Payment) maturing on July 1, 2021, 2025 and 2030 (collectively, the "*Prior Bonds*") on July 1, 2020 (the "*Crossover Date*").

As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The Bonds are valid and binding general obligations of the District.

2. All of the taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate, except that (a) ad valorem taxes shall be abated with respect to interest to be paid on the Bonds to and including the Crossover Date and such interest shall be paid by amounts held in a special trust funded with proceeds of the Bonds and (b) the total aggregate of taxes levied to pay the principal of and interest on the Bonds shall not exceed the total aggregate amount of principal and interest to become due on the Prior Bonds from the date of issuance of the Bonds to the final date of maturity of the Prior Bonds; and subject further to the rights vested in the owners of the Prior Bonds to the payment of the Prior Bonds from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United States of America purchased from the proceeds of the sale of such Bonds and placed in trust for the purpose of providing for payment of principal of and premium, if any, and interest on the Prior Bonds. The owners of the Bonds must rely on the sufficiency of the moneys and obligations placed irrevocably in trust for payment of the Prior Bonds. Subject to the foregoing, it is required by law that the Board of Supervisors of the County levy, at the time of making the levy of taxes for County purposes, an annual tax upon the taxable property in the District sufficient to pay the principal of and interest on the Bonds when due.

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* *Subject to change.*

3. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excluded from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations, however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to federal alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "*Code*"). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain investment earnings with respect to the Bonds. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes from their date of issuance. The District has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the Bonds. For purposes of this opinion we have assumed continuing compliance by the District with such restrictions, conditions and requirements.

The rights of the owners of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

GUST ROSENFELD P.L.C.

By:
James T. Giel
Bond Counsel

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OF PIMA COUNTY, ARIZONA

$48,835,000*
REFUNDING BONDS,
SERIES 2017
(2020 CROSSOVER)

CONTINUING DISCLOSURE CERTIFICATE
(CUSIP BASE NO. 721799)

This Continuing Disclosure Certificate (this "*Disclosure Certificate*") is undertaken by Tucson Unified School District No. 1 of Pima County, Arizona (the "*District*") in connection with the issuance of its $48,835,000* Refunding Bonds, Series 2017 (2020 Crossover) (the "*Bonds*"). In consideration of the initial sale and delivery of the Bonds, the District covenants as follows:

Section 1. **Purpose of the Disclosure Certificate**. This Disclosure Certificate is for the benefit of the Bondholders (as defined herein) and in order to assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein).

Section 2. **Definitions**. Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

"*Annual Report*" shall mean the annual report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" shall mean the District's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the District intends to continue to prepare in substantially the same form.

"Bondholder" shall mean any registered owner or beneficial owner of the Bonds.

"Bond Counsel" shall mean Gust Rosenfeld P.L.C. or such other nationally recognized bond counsel as may be selected by the District.

"Dissemination Agent" shall mean the District, or any person designated in writing by the District as the Dissemination Agent.

"EMMA" shall mean the Electronic Municipal Market Access system of MSRB, or any successor thereto approved by the United States Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

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* *Subject to change.*

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" shall mean the final official statement dated December ___, 2017 relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. **Provision of Annual Reports**.

(a) Commencing February 1, 2018 and by no later than February 1 of each year thereafter (the "*Filing Date*"), the District shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by the MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District).

(b) If the District is unable or for any reason fails to provide electronically to EMMA an Annual Report or any part thereof by the Filing Date required in subsection (a) above, the District shall, in a timely manner, send a notice to EMMA in substantially the form attached as *Exhibit A* not later than the Filing Date.

(c) If the District's Audited Financial Statements are not submitted with the Annual Report and the District fails to provide to EMMA a copy of its Audited Financial Statements within 30 days of receipt thereof by the District, then the District shall, in a timely manner, send a notice to EMMA in substantially the form attached as *Exhibit B*.

(d) The Dissemination Agent shall:

(i) Determine the proper electronic filing address of EMMA each year prior to the date(s) for providing the Annual Report and Audited Financial Statements; and

(ii) If the Dissemination Agent is other than the District, file a report or reports with the District certifying that the Annual Report and Audited Financial Statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided and listing where it was provided.

Section 4. **Content of Annual Reports**.

(a) The Annual Report may be submitted as a single document or as separate documents comprising an electronic package, and may incorporate by reference other information as provided in this Section, including the Audited Financial Statements of the District; provided, however, that if the Audited Financial Statements of the District are not available at the time of the filing of the Annual Report, the District shall file unaudited financial statements of the District with the Annual Report and, when the Audited Financial Statements of the District are available, the same shall be submitted to EMMA within 30 days of receipt by the District.

(b) The District's Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Sections 3 and 4(a) hereof, annual Audited Financial Statements for the District.

(B) Annually updated financial information and operating data of the type contained in the following tables of the Official Statement:

(I) Table 2 – Average Daily Membership;
(II) Table 5 – Real and Secured Property Taxes Levied and Collected;
(III) Table 7A – Net Limited Assessed Property Value Property Classification;
(IV) Table 12 – Direct General Obligation Bonded Debt Outstanding and to be Outstanding;
(V) Tables 13 and 14 – Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issue; and
(VI) Table 16 – Direct and Overlapping General Obligation Bonded Debt Ratios.

(C) In the event of an amendment pursuant to Section 8 hereof not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles currently followed in the preparation of the District's Audited Financial Statements is contained in Note 1 of the Audited Financial Statements included within the Official Statement.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The District shall clearly identify each such other document so incorporated by reference.

Section 5. **Reporting of Listed Events**.

This Section 5 shall govern the giving of notices by the District of the occurrence of any of the following events with respect to the Bonds. The District shall, in a timely manner not in excess of ten business days after the occurrence of the event, provide notice of the following events with EMMA:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service (the "*IRS*") 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 Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to rights of Bondholders, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership or similar event of the District;
(13) 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; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

"Materiality" will be determined in accordance with the applicable federal securities laws.

Note to Section 5(12): For the purposes of the event identified in Section 5(12), the 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.

Section 6. **Termination of Reporting Obligation**. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Such termination shall not terminate the obligation of the District to give notice of such defeasance or prior redemption.

Section 7. **Dissemination Agent**. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. **Amendment**. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the District, or the type of business conducted;

(b) This Disclosure Certificate, as amended, would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Bondholders, as determined by Bond Counsel.

Notice of amendment to the accounting principles shall be sent within 30 days to EMMA.

Section 9. **Filing with EMMA**. The District shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with EMMA.

Section 10. **Additional Information**. The District may, at the District's election, include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate. If the District chooses to include such information, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. **Default**. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder may seek specific performance by court order to cause the District to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Bonds or the resolution authorizing the Bonds.

Section 12. **Compliance by District**. The District hereby covenants to comply with the terms of this Disclosure Certificate. The District expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter or Bond Counsel.

Section 13. **Subject to Appropriation**. Pursuant to Arizona law, the District's undertaking to provide information under this Disclosure Certificate is subject to appropriation to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Should funds that would enable the District to provide the information required to be disclosed hereunder not be appropriated, then notice of such fact will be made in a timely manner to EMMA in the form of *Exhibit C* attached hereto.

Section 14. **Beneficiaries**. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Section 15. **Governing Law and Interpretation of Terms**. This Disclosure Certificate shall be governed by the law of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities law.

Date: [Closing Date]

TUCSON UNIFIED SCHOOL DISTRICT NO. 1 OF PIMA COUNTY, ARIZONA

By____
Its Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Tucson Unified School District No. 1 of Pima County, Arizona
Name of Bond Issue: $48,835,000* Refunding Bonds, Series 2017 (2020 Crossover)
Dated date of Bonds: [Closing Date] CUSIP: 721799

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated December ____, 2017. The District anticipates that the Annual Report for fiscal year ended June 30, ____ will be filed by ____________________.

Dated: ______________

Tucson Unified School District No. 1 of Pima County, Arizona
By____
Its ____

EXHIBIT B

NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS

Name of Issuer: Tucson Unified School District No. 1 of Pima County, Arizona
Name of Bond Issue: $48,835,000* Refunding Bonds, Series 2017 (2020 Crossover)
Dated date of Bonds: [Closing Date] CUSIP: 721799

NOTICE IS HEREBY GIVEN that the District failed to provide its Audited Financial Statements with its Annual Report or, if not then available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated December ____, 2017, with respect to the above-named Bonds. The District anticipates that the Audited Financial Statements for the fiscal year ended June 30, ____ will be filed by ____________________.

Dated: ______________

Tucson Unified School District No. 1 of Pima County, Arizona
By____
Its ____

EXHIBIT C

NOTICE OF FAILURE TO APPROPRIATE FUNDS

Name of Issuer: Tucson Unified School District No. 1 of Pima County, Arizona
Name of Bond Issue: $48,835,000* Refunding Bonds, Series 2017 (2020 Crossover)
Dated date of Bonds: [Closing Date] CUSIP: 721799

NOTICE IS HEREBY GIVEN that the District failed to appropriate funds necessary to perform the undertaking required by the Continuing Disclosure Certificate dated December ____, 2017.

Dated: ______________

Tucson Unified School District No. 1 of Pima County, Arizona
By____
Its ____

* *Subject to change.*

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, 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 will be issued for each maturity of the Bonds, each 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 Securities Exchange Act of 1934. 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 Securities 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" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange 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 affect 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 the Bonds may wish to take certain steps to augment the 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 Bond Registrar and Paying Agent 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond 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 detail information from the District or the Bond Registrar and Paying Agent, 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 Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, 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 Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 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 sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.