



Teamwork | Pride | Excellence



Northwest

INDEPENDENT SCHOOL DISTRICT

Post-Pricing Information – Unlimited Tax School Building Bonds, Series 2019

Monday, May 6, 2019

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NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE



Post-Pricing Summary – Series 2019 Bonds

- ❑ **Introduction:** This material provides a summary of the sale results for Northwest Independent School District’s (the “District”) Unlimited Tax School Building Bonds, Series 2019 (the “Series 2019 Bonds”) issued to fund necessary capital improvements within the District.
- ❑ **Summary of Bond Sale Results:**
 - ❖ Based upon prevailing market conditions on Monday, April 29, 2019, the District successfully sold its Series 2019 Bonds at an “All-In” True Interest Rate of 3.44%. The District’s actual interest rate is 0.55% below the projected 3.99% interest rate previously communicated to the Board of Trustees.
 - ❖ Based upon prudent and advantageous market timing by the District and its financial advisor, **the District’s actual bond payments on the Series 2019 Bonds are \$12,762,917 less than previously anticipated.**

Summary of Actual Financing Plan – Series 2019 Bonds

Description	Preliminary Financing Plan	Actual Results	Difference
Funds Available for Capital Improvements within the District	\$ 100,000,000	\$ 100,000,000	---
“All-In” True Interest Rate – Series 2019 Bonds	3.99%	3.44%	0.55%
Projected Total Bond Payments – Series 2019 Bonds	\$ 174,231,940	\$ 161,469,023	\$ 12,762,917
Percentage of Principal to be Repaid in First 5 Years	---	15.7%	---
Final Maturity – Series 2019 Bonds	25 Years	25 Years	---



Sources and Uses of Funds and Historical Bond Elections

- ❑ The proceeds of the Series 2019 Bonds are scheduled to be delivered to the District's Construction Fund on Thursday, May 23, 2019.

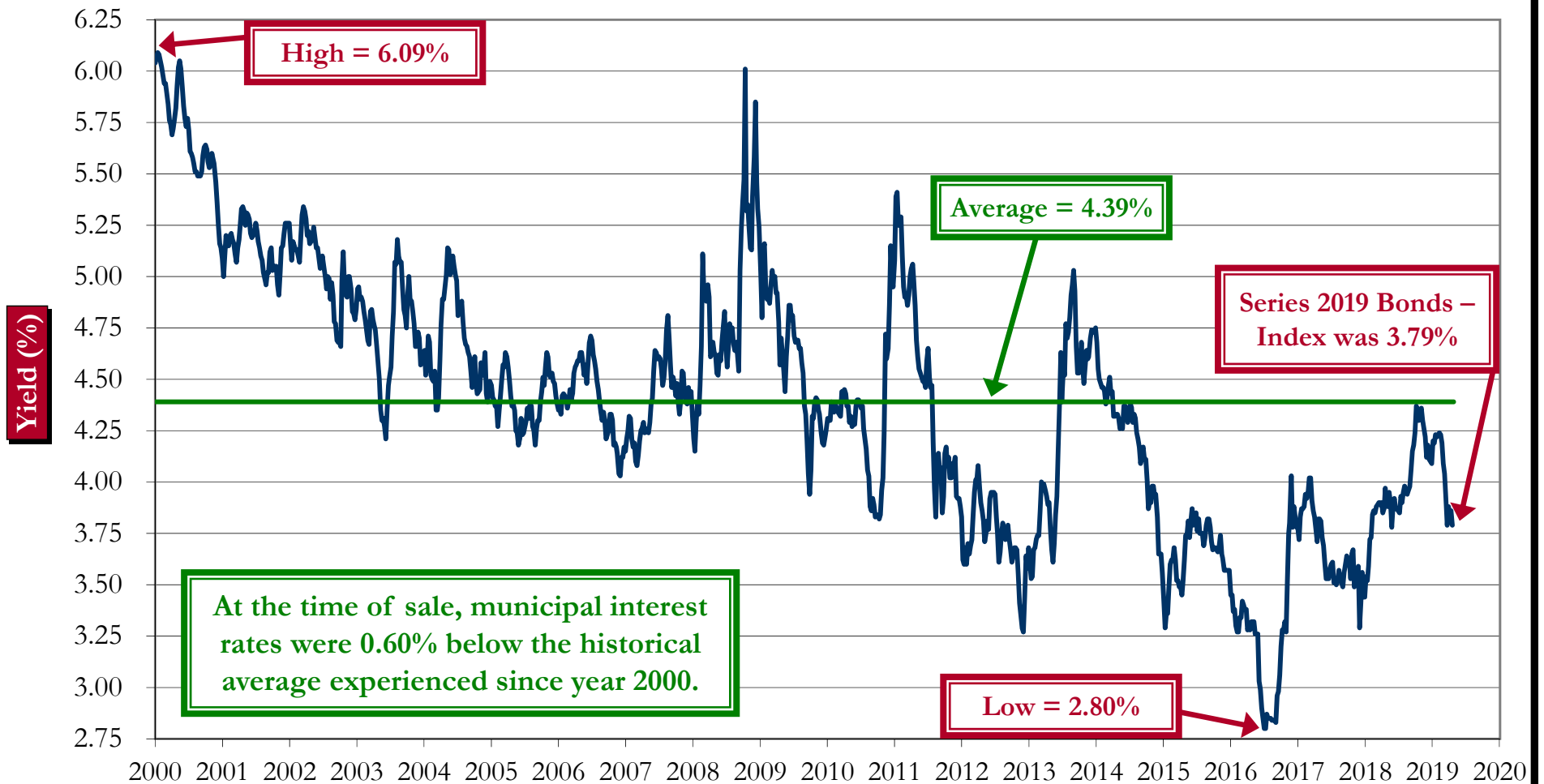
Sources and Uses of Funds – Series 2019 Bonds	
Sources of Funds:	
Principal Amount of Series 2019 Bonds	\$ 92,450,000.00
Premium on Series 2019 Bonds	<u>8,308,085.00</u>
Total Sources of Funds	<u>\$ 100,758,085.00</u>
Uses of Funds:	
Deposit to Construction Fund	\$ 100,000,000.00
Estimated Costs of Issuance	295,000.00
Underwriters' Discount	460,636.25
Rounding Amount/Contingency	<u>2,448.75</u>
Total Uses of Funds	<u>\$ 100,758,085.00</u>

District's Historical Bond Elections Approved By Voters						
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Previously Issued	Dollar Amount Issued - Series 2019 Bonds	Dollar Amount Remaining To Be Issued
February 24, 2001	School Building & Stadium	5,373	\$182,200,000	\$182,200,000	\$0	\$0
October 1, 2005	School Building & Renovations	8,750	\$224,500,000	\$224,500,000	\$0	\$0
May 10, 2008	School Building	11,898	\$260,000,000	\$260,000,000	\$0	\$0
November 6, 2012	School Building	17,811	\$255,000,000	\$255,000,000	\$0	\$0
May 6, 2017	School Building & Technology	22,044	\$399,000,000	\$100,000,000	\$100,000,000	\$199,000,000
					\$100,000,000	\$199,000,000



Overview of Interest Rates – Series 2019 Bonds

The Bond Buyer 20-Bond Index – A Tax-Exempt General Obligation Bond Yield Index January 1, 2000 To April 30, 2019

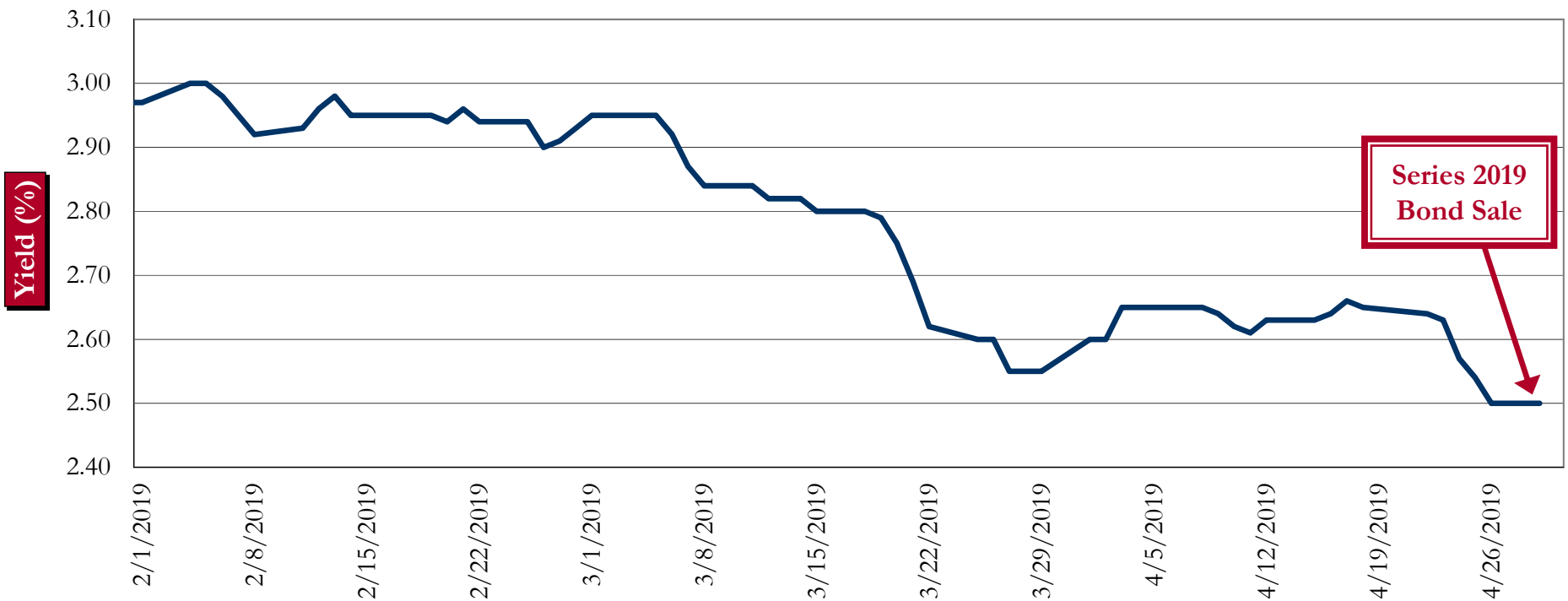




Overview of Interest Rates – Series 2019 Bonds

- ❑ Since the beginning of February 2019, the Municipal Market Data (“MMD”) Index for a 25-year bond maturity declined by 0.50% prior to the sale of the District’s Series 2019 Bonds. MMD is the investor-accepted benchmark index used in the municipal marketplace to establish the interest rates on a bond sale.
- ❑ At the time of sale, “AAA” MMD interest rates for long-term bond maturities commensurate with the District’s Series 2019 Bonds were at the lowest levels experienced since January 2018.

**“AAA” Municipal Market Data (“MMD”) Interest Rates – 25-Year Maturity
February 1, 2019 To April 29, 2019 (Day of Sale – Series 2019 Bonds)**

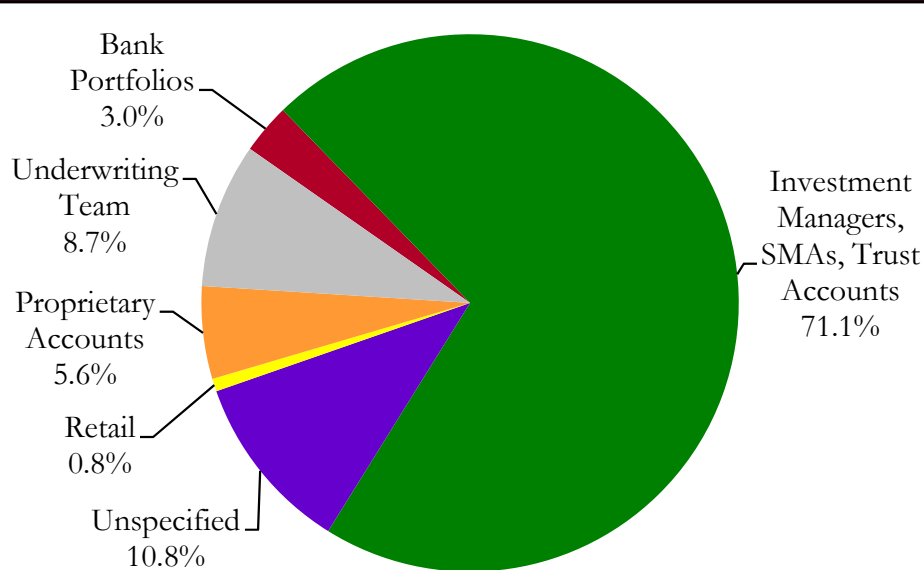




Summary of Bond Underwriting Process – Series 2019 Bonds

- ❑ The week prior to pricing Northwest ISD’s Series 2019 Bonds, the municipal market saw 7 Texas school districts, including Coppell ISD, Frisco ISD and Hurst-Euless-Bedford ISD, sell over \$600 million of “tax-exempt” PSF-guaranteed bonds. In light of those recent bond sales, the District’s underwriting syndicate elected to pursue an aggressive pricing strategy to achieve interest rates that were commensurate or below these comparable bond sales.
- ❑ The “aggressive” pricing strategy ultimately served the District well, as Northwest ISD achieved the lowest interest rates of any Texas school district that sold bonds the week before or after the District’s bond sale.
- ❑ The District’s Series 2019 Bonds were sold to a diverse investor base of 17 institutional investors.

Investors by Account Type – Series 2019 Bonds



Top 10 Investors - Series 2019 Bonds

Investor	Bonds Purchased	% of Total Bonds
BlackRock	\$ 46,835,000	50.7%
Unspecified Investor	10,000,000	10.8%
Capital Research and Management Company	4,360,000	4.7%
Offit Capital Advisors LLC	4,340,000	4.7%
Mellon Investments Corporation	4,000,000	4.3%
FNY Partners Fund LP	3,340,000	3.6%
Breckinridge Capital Advisors, Inc.	2,815,000	3.0%
Old National Bank	2,785,000	3.0%
Bellvale LLC	1,090,000	1.2%
PIMCO - Pacific Investment Management Co.	1,075,000	1.2%
Top 10 Totals	\$ 80,640,000	87.2%



Summary of Orders – Series 2019 Bonds

- ❑ The following provides a summary of the bond orders submitted by the underwriters during the “order period” for the District’s Series 2019 Bonds.
- ❑ As a result of the “aggressive” pricing strategy, \$67,580,000 of the Series 2019 Bonds remained unsold at the end of the “order period.” In order to deliver a successful pricing to Northwest ISD, the underwriters elected to use their capital to directly purchase the unsold bonds, thereby assuming the “risk” of any ensuing interest rate movements on such bonds.
- ❑ The majority of the unsold bonds were subsequently sold to investors over the next couple of days.

Northwest ISD - Summary of Orders by Maturity - Series 2019 Bonds (End of Initial Order Period)

Maturity Date	Principal Amount	BOK Financial Securities, Inc.		Piper Jaffray & Co.		Raymond James & Associates, Inc.		RBC Capital Markets		Total Investor Orders	Total Orders	Principal Amount of Bonds Unsold to Investors - End of Initial Order Period
		Investor Orders	Stock Orders	Investor Orders	Stock Orders	Investor Orders	Stock Orders	Investor Orders	Stock Orders			
8/15/2019	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -
2/15/2020	4,340,000	8,680,000	-	-	-	-	-	4,340,000	-	13,020,000	13,020,000	-
2/15/2021	1,330,000	1,325,000	-	-	-	1,330,000	-	-	1,000,000	1,325,000	3,655,000	-
2/15/2022	1,500,000	1,495,000	-	-	-	1,500,000	-	-	-	1,495,000	2,995,000	-
2/15/2023	1,530,000	1,525,000	-	-	-	-	-	-	-	1,525,000	1,525,000	-
2/15/2024	1,840,000	400,000	-	-	1,840,000	-	-	-	-	400,000	2,240,000	1,440,000
2/15/2025	1,110,000	-	-	-	-	-	-	-	-	-	-	1,110,000
2/15/2026	1,125,000	-	-	-	-	-	-	-	-	-	-	1,125,000
2/15/2027	1,135,000	1,435,000	-	-	-	1,135,000	-	-	-	1,435,000	2,570,000	-
2/15/2028	1,145,000	1,620,000	-	-	-	-	-	-	-	1,620,000	1,620,000	-
2/15/2029	1,150,000	1,150,000	-	15,000	1,150,000	-	-	-	1,000,000	1,150,000	3,315,000	-
2/15/2030	1,160,000	175,000	-	-	1,160,000	-	-	-	1,000,000	175,000	2,335,000	985,000
2/15/2031	1,165,000	-	-	-	1,165,000	-	-	-	-	-	1,165,000	1,165,000
2/15/2032	1,175,000	-	-	-	1,175,000	-	-	-	-	-	1,175,000	1,175,000
2/15/2033	1,185,000	125,000	-	-	1,185,000	-	-	-	-	125,000	1,310,000	1,060,000
2/15/2034	1,185,000	2,370,000	-	-	-	1,185,000	-	-	1,000,000	2,370,000	4,555,000	-
2/15/2035	1,185,000	500,000	1,185,000	-	-	1,185,000	-	-	1,000,000	500,000	3,870,000	685,000
2/15/2036	1,010,000	1,000,000	1,010,000	-	-	-	-	-	1,000,000	1,000,000	3,010,000	-
2/15/2037	2,035,000	2,535,000	2,035,000	-	2,035,000	-	-	-	1,000,000	2,535,000	7,605,000	-
2/15/2038	2,040,000	4,580,000	2,040,000	-	2,040,000	-	-	-	1,000,000	4,580,000	9,660,000	-
2/15/2039	1,270,000	4,810,000	-	-	1,270,000	-	-	-	1,000,000	4,810,000	7,080,000	-
2/15/2044	58,835,000	-	20,000,000	-	5,000,000	-	15,000,000	-	10,000,000	-	50,000,000	58,835,000
Totals	\$ 92,450,000	\$ 37,725,000	\$ 26,270,000	\$ 15,000	\$ 18,020,000	\$ -	\$ 21,335,000	\$ 8,340,000	\$ 19,000,000	\$ 46,065,000	\$130,705,000	\$ 67,580,000



Final Pricing Results – Series 2019 Bonds

Final Pricing Scale - Series 2019 Bonds						
Issuer/State:		Northwest Independent School District, Texas				
Maturity Amount:		\$92,450,000				
Sale Date:		Monday, April 29, 2019				
Settlement Date:		Thursday, May 9, 2019				
Optional Redemption Feature:		Bonds Are Callable Beginning February 15, 2028 @ Par				
Ratings:		Moody's: "Aaa" / "Aa2" Fitch: "AAA" / "AA"				
Maturity Date	Principal Amount	Coupon	Final Yield	Final Yield To Maturity	Priority Order Book - After Initial Order Period	Yield Adjustments
8/15/2019	\$4,000,000	3.000	1.600	1.600	Sealed Bid	Sealed Bid
2/15/2020	4,340,000	3.000	1.620	1.620	Sealed Bid	Sealed Bid
2/15/2021	1,330,000	5.000	1.630	1.630	1.00x	---
2/15/2022	1,500,000	5.000	1.640	1.640	1.00x	---
2/15/2023	1,530,000	5.000	1.670	1.670	1.00x	---
2/15/2024	1,840,000	5.000	1.750	1.750	0.22x	0.01
2/15/2025	1,110,000	5.000	1.800	1.800	0.00x	0.02
2/15/2026	1,125,000	5.000	1.830	1.830	0.00x	0.02
2/15/2027	1,135,000	5.000	1.900	1.900	1.26x	---
2/15/2028	1,145,000	5.000	1.960	1.960	1.41x	---
2/15/2029	1,150,000	5.000	2.040	2.286	1.00x	---
2/15/2030	1,160,000	5.000	2.120	2.553	0.15x	---
2/15/2031	1,165,000	5.000	2.200	2.777	0.00x	---
2/15/2032	1,175,000	5.000	2.270	2.960	0.00x	---
2/15/2033	1,185,000	5.000	2.330	3.111	0.11x	---
2/15/2034	1,185,000	4.000	2.590	3.070	2.00x	---
2/15/2035	1,185,000	4.000	2.650	3.152	0.42x	---
2/15/2036	1,010,000	4.000	2.690	3.212	0.99x	---
2/15/2037	2,035,000	4.000	2.740	3.273	1.25x	---
2/15/2038	2,040,000	4.000	2.780	3.322	2.25x	---
2/15/2039	1,270,000	4.000	2.810	3.361	3.79x	(0.01)
2/15/2044	58,835,000	4.000	3.000	3.535	0.00x	0.05



Final Pricing Results – Comparable Bond Sales

As demonstrated within the table below, Northwest ISD received interest rates on its Series 2019 Bonds that were below or commensurate with other Texas school district bond sales that priced both right before and right after the District’s bond sale. For comparison purposes, we have only shown herein the bond maturities that are comparable to the District’s pricing structure.

Final Pricing Comparison

Issuer:	Socorro ISD			Northwest ISD			Coppell ISD			Frisco ISD			Hurst-Eules-Bedford ISD		
Pricing Date:	Tuesday, April 30, 2019			Monday, April 29, 2019			Thursday, April 25, 2019			Wednesday, April 24, 2019			Wednesday, April 24, 2019		
Par Amount:	\$135,385,000			\$92,450,000			\$75,660,000			\$265,390,000			\$101,460,000		
Maturity Dates:	August 15			February 15			August 15			August 15			August 15		
Call Date:	August 15, 2028			February 15, 2028			August 15, 2028			February 15, 2029			August 15, 2028		
Insurance:	Permanent School Fund Guarantee			Permanent School Fund Guarantee			Permanent School Fund Guarantee			Permanent School Fund Guarantee			Permanent School Fund Guarantee		
Enhanced Ratings:	Aaa / --- / AAA			Aaa / --- / AAA			--- / AAA / AAA			Aaa / AAA / ---			--- / AAA / AAA		
Unenhanced Ratings:	Aa2 / --- / AA			Aa2 / --- / AA			--- / AA+ / AA+			Aa1 / AA+ / ---			--- / AA+ / AA+		
Maturity:	Par Amount	Coupon	Yield	Par Amount	Coupon	Yield	Par Amount	Coupon	Yield	Par Amount	Coupon	Yield	Par Amount	Coupon	Yield
2019	\$ -	---	---	\$ 4,000,000	3.00%	1.60%	\$ -	---	---	\$ -	---	---	\$ -	---	---
2020	2,500,000	5.00%	1.62%	4,340,000	3.00%	1.62%	-	---	---	4,835,000	5.00%	1.57%	1,020,000	3.00%	1.60%
2021	-	---	---	1,330,000	5.00%	1.63%	885,000	4.00%	1.63%	8,350,000	5.00%	1.63%	2,020,000	4.00%	1.63%
2022	-	---	---	1,500,000	5.00%	1.64%	1,500,000	4.00%	1.65%	8,745,000	5.00%	1.64%	3,735,000	4.00%	1.65%
2023	-	---	---	1,530,000	5.00%	1.67%	3,255,000	5.00%	1.69%	5,985,000	5.00%	1.67%	3,880,000	5.00%	1.69%
2024	-	---	---	1,840,000	5.00%	1.75%	3,230,000	5.00%	1.77%	6,295,000	5.00%	1.75%	4,065,000	5.00%	1.77%
2025	-	---	---	1,110,000	5.00%	1.80%	5,995,000	5.00%	1.81%	6,640,000	5.00%	1.81%	3,070,000	5.00%	1.81%
2026	-	---	---	1,125,000	5.00%	1.83%	2,345,000	5.00%	1.87%	5,660,000	5.00%	1.87%	2,840,000	5.00%	1.87%
2027	-	---	---	1,135,000	5.00%	1.90%	2,460,000	5.00%	1.96%	5,955,000	5.00%	1.93%	2,975,000	5.00%	1.96%
2028	-	---	---	1,145,000	5.00%	1.96%	2,585,000	5.00%	2.03%	6,250,000	5.00%	2.03%	3,125,000	5.00%	2.03%
2029	-	---	---	1,150,000	5.00%	2.04%	2,720,000	5.00%	2.11%	6,575,000	5.00%	2.09%	3,290,000	5.00%	2.11%
2030	1,390,000	5.00%	2.17%	1,160,000	5.00%	2.12%	2,725,000	5.00%	2.19%	5,230,000	5.00%	2.19%	3,450,000	5.00%	2.19%
2031	1,080,000	5.00%	2.23%	1,165,000	5.00%	2.20%	2,860,000	5.00%	2.25%	5,485,000	5.00%	2.26%	3,620,000	5.00%	2.26%
2032	3,025,000	5.00%	2.29%	1,175,000	5.00%	2.27%	3,000,000	5.00%	2.32%	5,760,000	5.00%	2.32%	3,810,000	5.00%	2.32%
2033	4,455,000	5.00%	2.34%	1,185,000	5.00%	2.33%	3,155,000	5.00%	2.37%	6,050,000	5.00%	2.38%	4,000,000	5.00%	2.37%
2034	4,605,000	N/C	N/C	1,185,000	4.00%	2.59%	3,310,000	4.00%	2.62%	6,630,000	N/C	N/C	4,195,000	4.00%	2.62%
2035	4,435,000	N/C	N/C	1,185,000	4.00%	2.65%	3,440,000	4.00%	2.70%	21,515,000	N/C	N/C	4,360,000	4.00%	2.70%
2036	4,585,000	N/C	N/C	1,010,000	4.00%	2.69%	3,580,000	4.00%	2.75%	25,910,000	N/C	N/C	4,540,000	4.00%	2.75%
2037	4,625,000	N/C	N/C	2,035,000	4.00%	2.74%	3,725,000	4.00%	2.80%	21,445,000	N/C	N/C	4,725,000	4.00%	2.82%
2038	9,270,000	N/C	N/C	2,040,000	4.00%	2.78%	3,870,000	4.00%	2.84%	12,005,000	N/C	N/C	4,915,000	4.00%	2.85%
2039	13,885,000	N/C	N/C	1,270,000	4.00%	2.81%	4,025,000	4.00%	2.88%	19,755,000	4.00%	2.88%	5,100,000	4.00%	2.88%
2044	66,955,000	4.00%	3.05%	58,835,000	4.00%	3.00%	8,695,000	4.00%	3.02%	-	---	---	17,900,000	4.00%	3.03%



Savings from District's Recent Bond Refunding and Prepayment Programs to Lower Interest Costs

- ❑ Since year 2015, Northwest ISD has implemented 6 refunding programs and prepaid \$4.1 million of existing bonds to reduce the cost of voter-approved bonds – Which have generated \$83,390,924 of savings.
- ❑ Coupled with the District's \$12,762,917 lower borrowing cost on the Series 2019 Bonds and the favorable results of the District's Series 2018, 2017 and 2015 School Building Bonds, the aggregate savings generated for District taxpayers is **\$122,909,212** over the last 5 years!

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds

Issue / Description	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax Refunding Bonds, Series 2015	2007	\$ 93,310,000	\$ 15,395,575
Unlimited Tax Refunding Bonds, Series 2015A	2005, 2008, 2009, 2010	143,595,000	22,766,381
Unlimited Tax Refunding Bonds, Series 2015B	2006	93,055,000	13,904,656
Unlimited Tax Refunding Bonds, Series 2016	2008, 2009, 2010	51,560,000	10,748,113
Unlimited Tax Refunding Bonds, Series 2016A	2010, 2011	68,215,000	14,048,564
Prepayment of Series 2008 Bonds - June 2017	2008	4,100,000	1,930,660
Unlimited Tax Refunding Bonds, Series 2017	2012	30,290,000	4,596,975
Subtotal - Bond Refunding Programs / Prepayment of Bonds		\$ 484,125,000	\$ 83,390,924
Borrowing Cost Savings - Series 2015 School Building Bonds			\$ 6,843,980
Borrowing Cost Savings - Series 2017 Bonds			11,545,927
Borrowing Cost Savings - Series 2018 Bonds			8,365,464
Borrowing Cost Savings - Series 2019 Bonds			12,762,917
Total			\$ 122,909,212



Overview of Financing Team Members – Series 2019 Bonds

Overview of Financing Team Members – Series 2019 Bonds

Issuer: Northwest Independent School District

Financial Advisor: Hilltop Securities Inc.

Bond Counsel: McCall, Parkhurst & Horton L.L.P.

Paying Agent: UMB Bank

Rating Agencies: Moody's Investors Service, Inc.
Fitch Ratings, Inc.

Underwriters:

- Senior Manager: BOK Financial Securities, Inc.
- Co-Manager: Piper Jaffray & Co.
- Co-Manager: Raymond James & Associates, Inc.
- Co-Manager: RBC Capital Markets

Underwriters' Counsel: Norton Rose Fulbright US LLP