



Teamwork | Pride | Excellence



Northwest

INDEPENDENT SCHOOL DISTRICT

Post-Pricing Information – Unlimited Tax Refunding Bonds, Series 2016A

Tuesday, August 2, 2016

Securities, insurance and advisory services offered through BOK Financial Securities, Inc., member FINRA/SIPC and a subsidiary of BOK Financial Corporation. Services may be offered under our trade name, BOK Financial Advisors.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE



Post-Pricing Summary – Series 2016A Refunding Bonds

❑ **Introduction:** This material provides a summary of the sale results for Northwest Independent School District’s (the “District”) Unlimited Tax Refunding Bonds, Series 2016A (the “Series 2016A Refunding Bonds”).

➤ **Summary of Refunding Program Results:**

- ❖ Given the favorable municipal market conditions on Monday, July 25, 2016, the District successfully sold its Series 2016A Refunding Bonds at a True Interest Rate of 2.84% to refund the District’s Series 2010 and 2011 Bonds with an interest rate of 4.65%.
- ❖ Based upon this interest rate differential, a direct savings of \$14,048,564 was achieved for the taxpayers of Northwest ISD!
- ❖ The closing of this transaction is scheduled for Thursday, August 25, 2016.

Summary of Savings – Final Results – Series 2016A Refunding Bonds	
Description	Final Results
Principal Amount of Refunded Bonds	\$ 68,215,000
Interest Rate on Existing Refunded Bonds	4.65%
True Interest Rate – Series 2016A Refunding Bonds	2.84%
Total Savings to the District (Net of Costs)	\$ 14,048,564
Net Present Value Debt Service Savings (@ All-In TIC)	8,120,811
Present Value Savings as a Percentage of the Principal Amount of the Refunded Bonds	11.90%



Summary of Savings – Series 2016A Refunding Bonds

Series 2016A Refunding Bonds – Actual Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Bond Payments – Refunded Bonds	Plus: Bond Payments – Series 2016A Refunding Bonds	Bond Payments – After Refunding Program	Savings (Col. B – E)
2015/16	\$ 52,078,572	\$ 3,165,530	\$ 3,158,111	\$ 52,071,333	\$ 7,239
2016/17	52,310,670	3,165,350	3,164,800	52,310,120	550
2017/18	53,604,483	3,165,350	3,160,950	53,600,083	4,400
2018/19	55,291,495	3,165,350	3,161,950	55,288,095	3,400
2019/20	57,027,845	3,194,900	3,192,450	57,025,395	2,450
2020/21	57,575,726	3,203,850	3,202,350	57,574,226	1,500
2021/22	59,103,668	3,952,150	3,949,400	59,100,918	2,750
2022/23	59,573,496	3,959,150	3,958,450	59,572,796	700
2023/24	60,644,470	3,974,350	3,970,925	60,641,045	3,425
2024/25	61,288,600	4,075,750	4,072,800	61,285,650	2,950
2025/26	61,953,525	5,165,050	5,160,425	61,948,900	4,625
2026/27	62,636,100	5,893,550	5,890,925	62,633,475	2,625
2027/28	61,785,300	5,906,300	5,904,175	61,783,175	2,125
2028/29	59,615,700	5,588,800	5,585,675	59,612,575	3,125
2029/30	53,060,363	10,061,100	10,060,925	53,060,188	175
2030/31	51,825,038	8,944,725	8,944,100	51,824,413	625
2031/32	49,656,650	10,297,400	10,295,800	49,655,050	1,600
2032/33	37,901,675	10,522,775	10,521,300	37,900,200	1,475
2033/34	38,528,500	12,610,275	7,022,700	32,940,925	5,587,575
2034/35	38,592,275	8,415,250	---	30,177,025	8,415,250
2035/36	34,979,750	---	---	34,979,750	---
2036/37	31,825,500	---	---	31,825,500	---
2037/38	28,068,500	---	---	28,068,500	---
2038/39	26,308,500	---	---	26,308,500	---
2039/40	8,816,625	---	---	8,816,625	---
2040/41	9,029,500	---	---	9,029,500	---
2041/42	9,239,000	---	---	9,239,000	---
2042/43	9,453,625	---	---	9,453,625	---
2043/44	9,671,625	---	---	9,671,625	---
2044/45	9,891,250	---	---	9,891,250	---
Totals	\$ 1,261,338,024	\$ 118,426,775	\$ 104,378,211	\$ 1,247,289,461	\$ 14,048,564



Sources and Uses of Funds – Series 2016A Refunding Bonds

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Sources of Funds:

Principal Amount of Series 2016A Refunding Bonds	\$ 64,870,000.00
Premium on Series 2016A Refunding Bonds	<u>11,217,798.80</u>
Total Sources of Funds	<u>\$ 76,087,798.80</u>

Uses of Funds:

Escrow Cost – To Repay Refunded Bonds	\$ 75,455,924.66
Estimated Costs of Issuance	246,000.00
Underwriters' Discount	385,780.66
Rounding Amount/Contingency	<u>93.48</u>
Total Uses of Funds	<u>\$ 76,087,798.80</u>

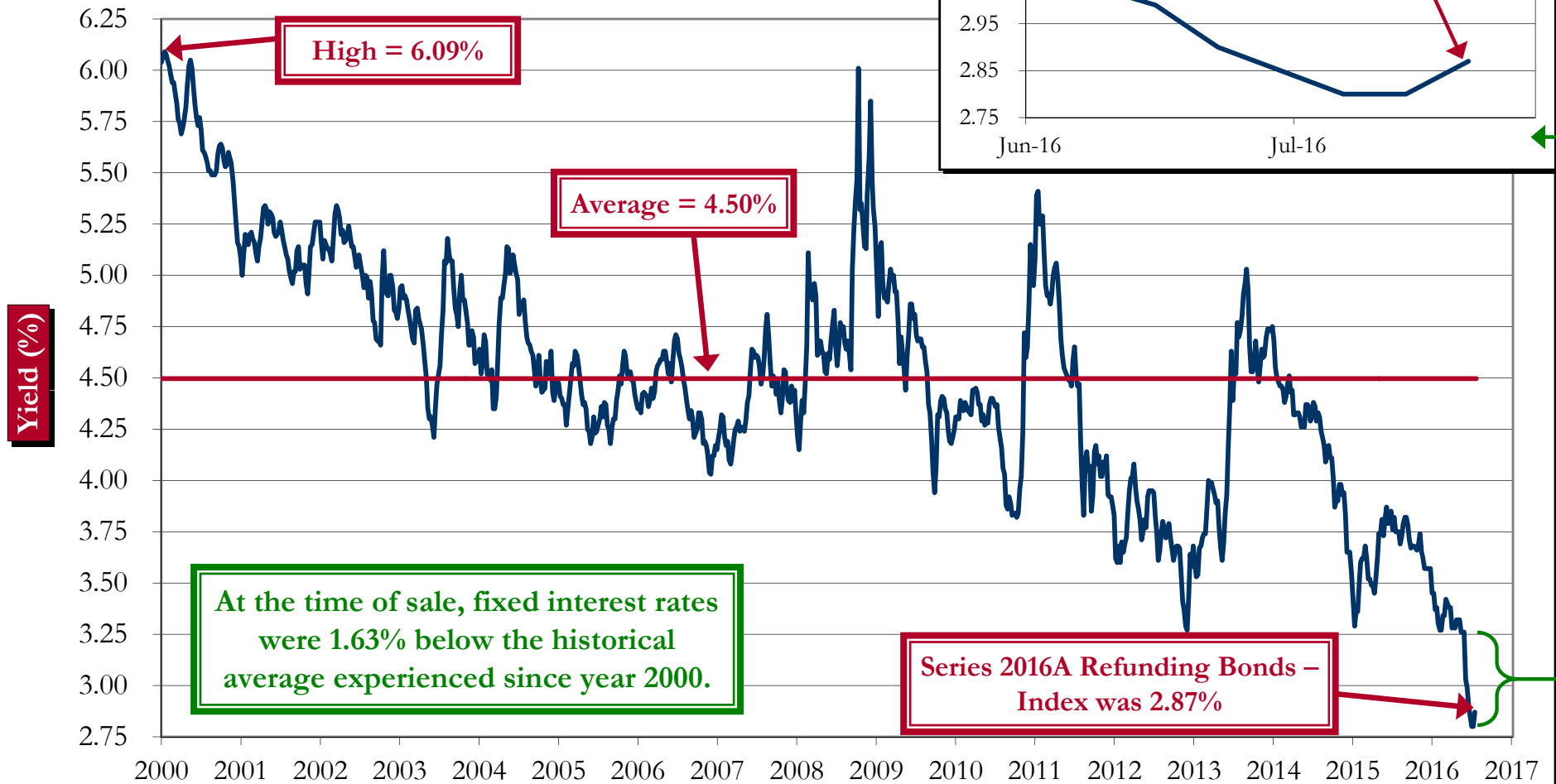
Summary of Refunded Bonds

Issue Outstanding	Principal Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building Bonds, Series 2010	\$ 20,820,000	02/15/2031 – 2035	4.00%	02/15/2018	100.0%
Unlimited Tax School Building Bonds, Series 2011	47,395,000	02/15/2021 – 2036	4.95%	02/15/2020	100.0%
Totals:	\$ 68,215,000	---	4.65%	---	---



Review Of Underwriting Performance (Continued)

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

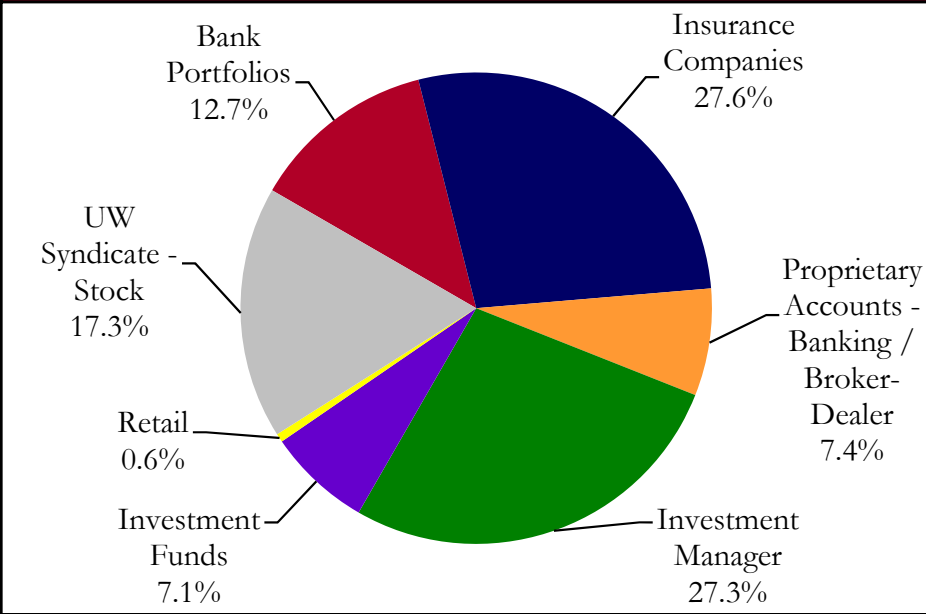




Summary of Bond Underwriting Process – Series 2016A Refunding Bonds

- ❑ As the largest bond sale in the Texas municipal market during the week of July 25, Northwest ISD garnered significant investor interest for its Series 2016A Refunding Bonds.
- ❑ During the “order period” for the Series 2016A Refunding Bonds, investors submitted \$231,395,000 of orders or 3.57x the dollar amount of bonds to be sold.
- ❑ As a result of the investor demand and in conjunction with the District’s financial advisor, BOK Financial Securities, Inc. was able to lower the District’s initial interest rates on \$46,285,000 (71.4%) of the bonds by 0.04% to further increase the District’s savings.
- ❑ The District’s Series 2016A Refunding Bonds were sold to a diverse investor base of 26 institutional investors within the capital markets.

Orders by Account Type – Series 2016A Refunding Bonds



Top 10 Investors - Series 2016A Refunding Bonds

Investor	Bonds Purchased	% of Total Bonds
State Farm Insurance Companies	\$ 12,030,000	18.5%
Wells Fargo Bank Portfolio	9,400,000	14.5%
Citi Investment Management	6,920,000	10.7%
Nuveen Asset Management	6,640,000	10.2%
General Re-New England Asset Management	6,130,000	9.4%
AIG Global	4,250,000	6.6%
Wells Capital Management	4,000,000	6.2%
Eagle Asset Management, Inc.	2,270,000	3.5%
Deutsche Bank Asset Management	2,000,000	3.1%
Victory Capital Management	1,655,000	2.6%
Top 10 Totals	\$ 55,295,000	85.2%



Summary of Orders – Series 2016A Refunding Bonds

- The following provides a summary of the bond orders submitted by the underwriting syndicate for the District’s Series 2016A Refunding Bonds on the day of pricing.

Northwest ISD - Summary of Orders by Maturity - Series 2016A Refunding Bonds										
Maturity Date	Principal Amount	BOSC, Inc.		Raymond James		RBC Capital Markets		Total Priority Orders	Total Orders	Principal Amount of Bonds Unsold / Underwritten
		Priority Net Designated Investor Orders	Member / Stock Orders	Priority Net Designated Investor Orders	Member / Stock Orders	Priority Net Designated Investor Orders	Member / Stock Orders			
2/15/2017	\$ 500,000	\$ 1,500,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 1,650,000	\$ 1,650,000	\$ -
2/15/2018	440,000	-	-	150,000	-	-	-	150,000	150,000	290,000
2/15/2019	445,000	50,000	-	275,000	150,000	-	-	325,000	475,000	-
2/15/2020	455,000	255,000	-	200,000	200,000	-	-	455,000	655,000	-
2/15/2021	495,000	140,000	-	-	-	-	-	140,000	140,000	230,000
2/15/2022	515,000	525,000	-	-	-	-	-	525,000	525,000	-
2/15/2023	1,280,000	1,805,000	-	-	-	-	-	1,805,000	1,805,000	-
2/15/2024	1,315,000	2,365,000	-	-	-	-	-	2,365,000	2,365,000	-
2/15/2025	1,375,000	2,850,000	-	-	1,375,000	-	-	2,850,000	4,225,000	-
2/15/2026	1,550,000	3,300,000	-	-	1,550,000	-	-	3,300,000	4,850,000	-
2/15/2027	2,745,000	2,745,000	-	-	-	-	-	2,745,000	2,745,000	-
2/15/2028	3,635,000	3,885,000	-	-	1,000,000	-	-	3,885,000	4,885,000	-
2/15/2029	3,835,000	7,670,000	-	-	-	-	-	7,670,000	7,670,000	-
2/15/2030	3,705,000	14,820,000	-	-	-	-	-	14,820,000	14,820,000	-
2/15/2031	8,485,000	35,940,000	-	-	-	-	5,000,000	35,940,000	40,940,000	-
2/15/2032	7,735,000	46,410,000	-	-	5,000,000	-	5,000,000	46,410,000	56,410,000	-
2/15/2033	9,430,000	38,720,000	-	-	5,000,000	-	5,000,000	38,720,000	48,720,000	-
2/15/2034	10,045,000	40,135,000	-	-	5,000,000	-	5,000,000	40,135,000	50,135,000	-
2/15/2035	6,885,000	26,155,000	-	-	5,000,000	-	5,000,000	26,155,000	36,155,000	-
Totals	\$ 64,870,000	\$229,270,000	\$ -	\$ 775,000	\$ 24,275,000	\$ -	\$ 25,000,000	\$230,045,000	\$279,320,000	\$ 520,000



Final Pricing Results – Series 2016A Refunding Bonds

Final Pricing Scale - Series 2016A Refunding Bonds

Issuer/State:	Northwest Independent School District, Texas
Principal Amount:	\$64,870,000
Sale Date:	Monday, July 25, 2016
Settlement Date:	Thursday, August 25, 2016
Optional Redemption Feature:	Bonds Are Callable February 15, 2026 @ Par
Ratings:	Moody's: "Aaa" / "Aa2" Fitch: "AAA" / "AA"

Based upon the investor demand for the Series 2016A Refunding Bonds, interest rates were lowered up to 0.04% in certain maturities.

Maturity Date	Principal Amount	Coupon	Final Yield	Final Yield To Maturity	Preliminary Marketing Yield	Priority Order Book - After Initial Order Period	Yield Adjustments
2/15/2017	\$500,000	2.000	0.600	0.600	0.620	3.30x	(0.02)
2/15/2018	440,000	2.000	0.710	0.710	0.710	0.34x	---
2/15/2019	445,000	2.000	0.790	0.790	0.790	0.73x	---
2/15/2020	455,000	2.000	0.900	0.900	0.900	1.00x	---
2/15/2021	495,000	2.000	1.030	1.030	1.030	0.28x	---
2/15/2022	515,000	2.000	1.190	1.190	1.190	1.02x	---
2/15/2023	1,280,000	2.000	1.360	1.360	1.360	1.41x	---
2/15/2024	1,315,000	2.000	1.470	1.470	1.480	1.80x	(0.01)
2/15/2025	1,375,000	5.000	1.590	1.590	1.600	2.07x	(0.01)
2/15/2026	1,550,000	5.000	1.690	1.690	1.700	2.13x	(0.01)
2/15/2027	2,745,000	5.000	1.800	2.043	1.800	1.00x	---
2/15/2028	3,635,000	5.000	1.900	2.329	1.900	1.07x	---
2/15/2029	3,835,000	5.000	1.940	2.523	1.960	2.00x	(0.02)
2/15/2030	3,705,000	5.000	2.000	2.705	2.040	4.00x	(0.04)
2/15/2031	8,485,000	5.000	2.050	2.855	2.090	4.24x	(0.04)
2/15/2032	7,735,000	4.000	2.400	2.911	2.440	6.00x	(0.04)
2/15/2033	9,430,000	4.000	2.450	2.992	2.490	4.11x	(0.04)
2/15/2034	10,045,000	4.000	2.500	3.065	2.540	4.00x	(0.04)
2/15/2035	6,885,000	4.000	2.550	3.130	2.590	3.80x	(0.04)



Overview of Financing Team Members – Series 2016A Refunding Bonds

Overview of Financing Team Members – Series 2016A Refunding Bonds

Issuer:	Northwest Independent School District
Financial Advisor:	FirstSouthwest, a Division of 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:	Raymond James
■ Co-Manager:	RBC Capital Markets
Underwriters’ Counsel:	Norton Rose Fulbright US LLP



Collective Refunding Results

- Based upon the prudent actions of the District and its financial advisor, a collective savings of **\$76,863,289** has been produced by the District's refunding programs implemented over the last 18-months!

Summary of District's Savings From Recent Refunding Programs

Issue	Series Refunded	Par 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
Totals	---	\$ 449,735,000	\$ 76,863,289