



*Teamwork | Pride | Excellence*



# Northwest

## INDEPENDENT SCHOOL DISTRICT

### Post-Pricing Information – Unlimited Tax Refunding Bonds, Series 2017

Tuesday, December 5, 2017

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 2017 Refunding Bonds

## □ Summary of Refunding Program Results:

- ❖ Given the favorable municipal market conditions on Wednesday, November 29, 2017, Northwest Independent School District (the “District”) successfully sold its Unlimited Tax Refunding Bonds, Series 2017 (the “Series 2017 Refunding Bonds”) at an “All-In” True Interest Rate of 3.04%.
- ❖ A direct savings of \$4,596,975 was achieved for the taxpayers of Northwest ISD – the anticipated savings communicated to the Board of Trustees at its November 13, 2017 meeting was \$4,344,599.

Summary of Savings – Final Results – Series 2017 Refunding Bonds	
Description	Final Results
Principal Amount of Series 2012 Refunded Bonds	\$ 30,290,000
Interest Rate on Existing Series 2012 Refunded Bonds	5.00%
“All-In” True Interest Rate – Series 2017 Refunding Bonds	3.04%
Total Savings to the District (Net of Costs)	\$ 4,596,975

- ❖ The closing of this transaction is scheduled for Thursday, December 21, 2017.



# Sources and Uses of Funds – Series 2017 Refunding Bonds

## Sources and Uses of Funds – Series 2017 Refunding Bonds

### Sources of Funds:

Principal Amount of Series 2017 Refunding Bonds	\$ 30,290,000.00
Premium on Series 2017 Refunding Bonds	<u>4,390,700.85</u>
<b>Total Sources of Funds</b>	<b><u>\$ 34,680,700.85</u></b>

### Uses of Funds:

Escrow Cost – To Repay Series 2012 Refunded Bonds	\$ 34,330,779.75
Estimated Costs of Issuance	159,500.00
Underwriters' Discount	187,904.00
Rounding Amount/Contingency	<u>2,517.10</u>
<b>Total Uses of Funds</b>	<b><u>\$ 34,680,700.85</u></b>

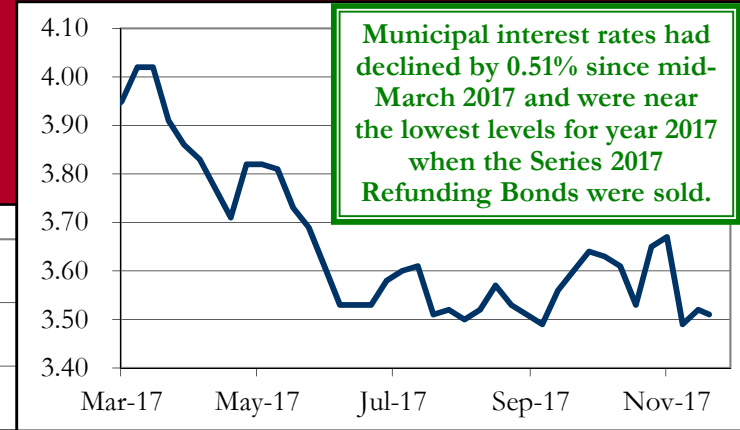
## Summary of Series 2012 Refunded Bonds

Issue Outstanding	Principal Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building and Refunding Bonds, Series 2012	\$ 30,290,000	02/15/2023 – 2037	5.00%	02/15/2022	100.0%



# Overview of Interest Rates – Series 2017 Refunding Bonds

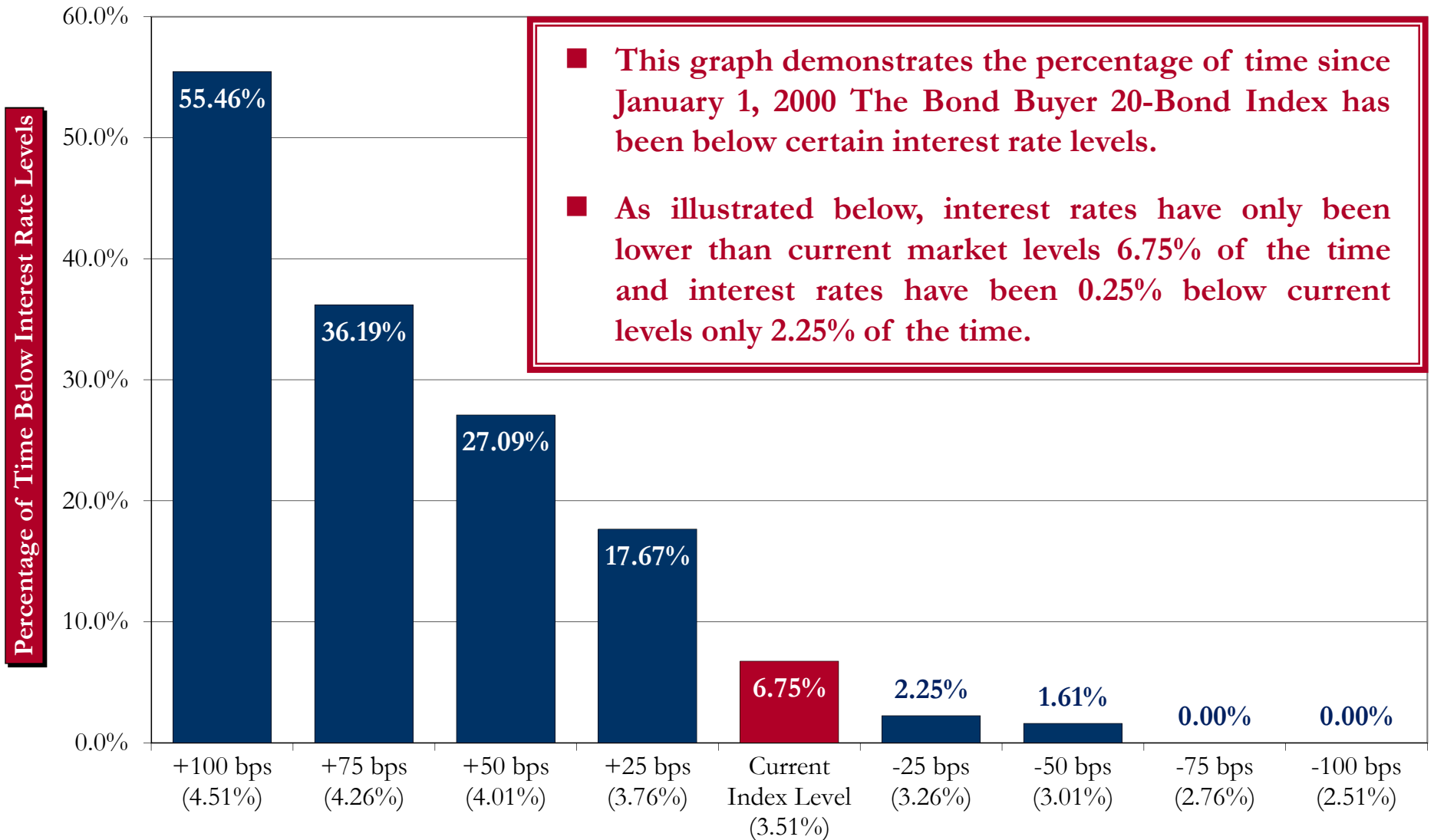
## The Bond Buyer 20-Bond Index – A Tax-Exempt General Obligation Bond Yield Index January 1, 2000 To The Present





# Percentage of Time The Bond Buyer 20-Bond Index Has Been Below Current Level Since January 1, 2000

## The Bond Buyer 20-Bond Index – Percentage Time Below Current Level Since January 1, 2000

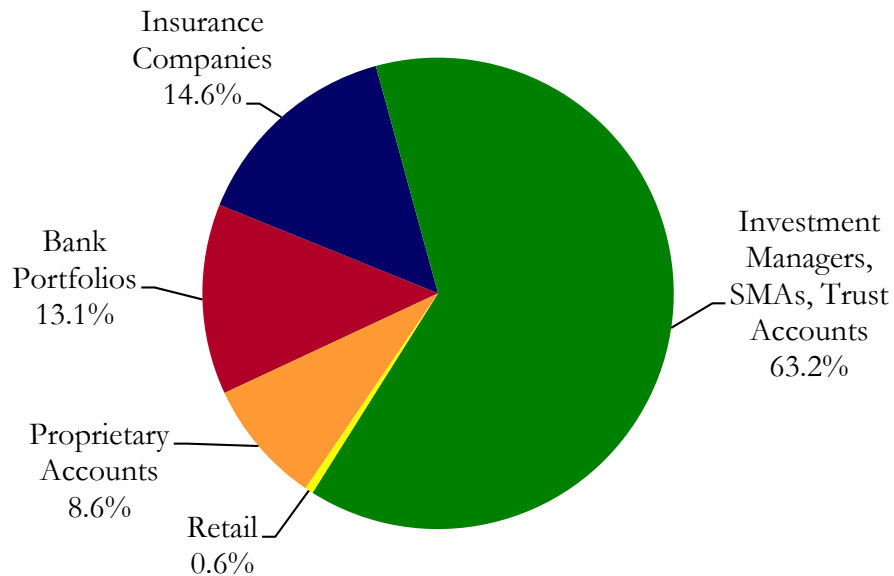




# Summary of Bond Underwriting Process – Series 2017 Refunding Bonds

- Given the anticipated record volume of municipal bond sales in December 2017 as issuers complete refunding programs prior to finalization of the Tax Reform Bill, the District’s efforts to price the Series 2017 Refunding Bonds in late November served the District and taxpayers well.
- The District’s Series 2017 Refunding Bonds were sold to a diverse investor base of 19 institutional investors.

**Investors by Account Type – Series 2017 Refunding Bonds**



**Top 10 Investors - Series 2017 Refunding Bonds**

Investor	Bonds Purchased	% of Total Bonds
Breckinridge Capital Advisors, Inc.	\$ 9,920,000	32.6%
Bessemer Trust	5,335,000	17.5%
First Financial Bank	3,980,000	13.1%
State Farm Insurance Companies	3,705,000	12.2%
Hopwood Lane	2,500,000	8.2%
Taylor Advisors, Inc.	1,500,000	4.9%
North Carolina Farm Bureau Insurance Group	750,000	2.5%
Offit Capital Advisors LLC	635,000	2.1%
Eaton Vance - TABS	495,000	1.6%
Frost Investment Advisors	325,000	1.1%
<b>Top 10 Totals</b>	<b>\$ 29,145,000</b>	<b>95.7%</b>



# Summary of Orders – Series 2017 Refunding Bonds

- ❑ As Senior Manager, BOK Financial Securities, Inc. generated \$33,620,000 of investor orders or 94% of all investor orders.
- ❑ \$5,725,000 of bonds remained unsold at the end of the “order period”. BOK Financial Securities, Inc. made the commitment to maintain the original interest rates and underwrite the remaining balance.
- ❑ After the commitment to underwrite, all unsold bonds were subsequently sold to investors.

Northwest ISD - Summary of Orders by Maturity - Series 2017 Refunding Bonds (End of Initial Order Period)										
Maturity Date	Maturity Amount	BOK Financial Securities, Inc.		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			
2/15/2018	\$ 635,000	\$ 635,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,000	\$ 635,000	\$ -
2/15/2019	170,000	-	-	165,000	-	270,000	-	435,000	435,000	-
2/15/2020	175,000	175,000	-	345,000	-	-	-	520,000	520,000	-
2/15/2021	180,000	180,000	-	350,000	-	-	-	530,000	530,000	-
2/15/2022	180,000	380,000	-	-	-	-	-	380,000	380,000	-
2/15/2023	1,685,000	3,235,000	-	-	1,685,000	-	1,000,000	3,235,000	5,920,000	-
2/15/2024	1,890,000	145,000	-	-	-	-	1,000,000	145,000	1,145,000	1,745,000
2/15/2025	2,015,000	4,200,000	-	-	-	-	-	4,200,000	4,200,000	-
2/15/2026	2,245,000	2,310,000	-	-	-	-	-	2,310,000	2,310,000	-
2/15/2027	2,600,000	2,610,000	-	-	-	-	-	2,610,000	2,610,000	-
2/15/2028	2,780,000	2,780,000	-	-	-	-	-	2,780,000	2,780,000	-
2/15/2029	3,145,000	3,175,000	-	-	-	-	-	3,175,000	3,175,000	-
2/15/2030	1,165,000	1,300,000	-	-	-	-	1,000,000	1,300,000	2,300,000	-
2/15/2031	1,255,000	2,540,000	-	1,000,000	-	-	1,000,000	3,540,000	4,540,000	-
2/15/2032	1,790,000	3,675,000	-	-	1,790,000	-	1,000,000	3,675,000	6,465,000	-
2/15/2033	1,560,000	3,270,000	-	-	1,560,000	-	1,000,000	3,270,000	5,830,000	-
2/15/2034	2,130,000	10,000	-	-	2,130,000	-	1,000,000	10,000	3,140,000	2,120,000
2/15/2035	2,495,000	1,500,000	-	-	2,495,000	-	1,000,000	1,500,000	4,995,000	995,000
2/15/2036	2,365,000	1,500,000	-	-	2,365,000	-	1,000,000	1,500,000	4,865,000	865,000
<b>Totals</b>	<b>\$ 30,460,000</b>	<b>\$ 33,620,000</b>	<b>\$ -</b>	<b>\$ 1,860,000</b>	<b>\$ 12,025,000</b>	<b>\$ 270,000</b>	<b>\$ 9,000,000</b>	<b>\$ 35,750,000</b>	<b>\$ 56,775,000</b>	<b>\$ 5,725,000</b>



# Final Pricing Results – Series 2017 Refunding Bonds

## Final Pricing Scale - Series 2017 Refunding Bonds

<b>Issuer/State:</b>	Northwest Independent School District, Texas
<b>Maturity Amount:</b>	\$30,460,000
<b>Sale Date:</b>	Wednesday, November 29, 2017
<b>Settlement Date:</b>	Thursday, December 21, 2017
<b>Optional Redemption Feature:</b>	Series 2017 Refunding Bonds Are Callable August 15, 2027 @ Par
<b>Ratings:</b>	Moody's: "Aaa" / "Aa2"      Fitch: "AAA" / "AA"

Maturity Date	Maturity Amount	Coupon	Final Yield	Final Yield To Maturity	Preliminary Marketing Yield	Priority Order Book	MMD Yield Adjustments - Day of Pricing	Yield Adjustments
2/15/2018	\$635,000	0.000	1.250	1.250	Sealed Bid	Sealed Bid	---	---
2/15/2019	170,000	2.000	1.620	1.620	1.620	1.00x	0.05	---
2/15/2020	175,000	2.000	1.740	1.740	1.740	2.00x	0.07	---
2/15/2021	180,000	2.000	1.840	1.840	1.840	2.00x	0.07	---
2/15/2022	180,000	2.000	1.940	1.940	1.940	2.11x	0.06	---
2/15/2023	1,685,000	5.000	2.060	2.060	2.060	1.92x	0.05	---
2/15/2024	1,890,000	5.000	2.090	2.090	2.090	0.08x	0.05	---
2/15/2025	2,015,000	5.000	2.190	2.190	2.190	2.08x	0.05	---
2/15/2026	2,245,000	5.000	2.270	2.270	2.270	1.03x	0.05	---
2/15/2027	2,600,000	5.000	2.370	2.370	2.370	1.00x	0.05	---
2/15/2028	2,780,000	5.000	2.450	2.549	2.450	1.00x	0.05	---
2/15/2029	3,145,000	5.000	2.530	2.792	2.530	1.01x	0.05	---
2/15/2030	1,165,000	4.000	2.820	3.020	2.820	1.12x	0.04	---
2/15/2031	1,255,000	4.000	2.930	3.164	2.930	2.82x	0.04	---
2/15/2032	1,790,000	4.000	2.980	3.246	2.980	2.05x	0.04	---
2/15/2033	1,560,000	4.000	3.030	3.318	3.030	2.10x	0.04	---
2/15/2034	2,130,000	4.000	3.080	3.383	3.080	0.00x	0.04	---
2/15/2035	2,495,000	4.000	3.130	3.441	3.130	0.60x	0.04	---
2/15/2036	2,365,000	4.000	3.170	3.487	3.170	0.63x	0.03	---





# Final Pricing Results – Comparable Bond Sales

❑ The following compares the District’s interest rates to the comparably-rated Midland ISD bond sale that priced on the same day. As shown, the District’s interest rates were up to 0.02% lower on comparable bond maturities – Demonstrating the market reputation garnered by NISD as stated in the rating reports:

Final Pricing Comparison						
Issuer:	Northwest ISD			Midland ISD		
Pricing Date:	Wednesday, November 29, 2017			Wednesday, November 29, 2017		
Maturity Amount:	\$30,460,000			\$56,085,000		
Maturity Dates:	February 15			February 15		
Call Date:	August 15, 2027			February 15, 2028		
Insurance:	Permanent School Fund Guarantee			Permanent School Fund Guarantee		
Enhanced Ratings:	Aaa / NAF / AAA			Aaa / AAA / NAF		
Unenhanced Ratings:	Aa2 / NAF / AA			Aa2 / AA / NAF		
Maturity:	Maturity			Maturity		
	Amount	Coupon	Yield	Amount	Coupon	Yield
2018	\$ 635,000	PCAB	1.25%	\$ 1,130,000	2.50%	1.25%
2019	170,000	2.00%	1.62%	85,000	2.00%	1.62%
2020	175,000	2.00%	1.74%	85,000	2.00%	1.74%
2021	180,000	2.00%	1.84%	90,000	2.00%	1.84%
2022	180,000	2.00%	1.94%	90,000	2.00%	1.94%
2023	1,685,000	5.00%	2.06%	2,175,000	N/C	N/C
2024	1,890,000	5.00%	2.09%	3,650,000	5.00%	2.11%
2025	2,015,000	5.00%	2.19%	3,840,000	5.00%	2.21%
2026	2,245,000	5.00%	2.27%	4,045,000	5.00%	2.29%
2027	2,600,000	5.00%	2.37%	4,245,000	5.00%	2.39%
2028	2,780,000	5.00%	2.45%	4,460,000	5.00%	2.46%
2029	3,145,000	5.00%	2.53%	1,920,000	5.00%	2.55%
2030	1,165,000	4.00%	2.82%	2,005,000	N/C	N/C
2031	1,255,000	4.00%	2.93%	2,075,000	4.00%	2.95%
2032	1,790,000	4.00%	2.98%	2,165,000	4.00%	3.00%
2033	1,560,000	4.00%	3.03%	9,750,000	4.00%	3.05%
2034	2,130,000	4.00%	3.08%	6,995,000	4.00%	3.10%
2035	2,495,000	4.00%	3.13%	7,280,000	4.00%	3.15%
2036	2,365,000	4.00%	3.17%	-	---	---

- ✓ “The District has navigated the strong growth environment through management’s commitment to conservative budgeting practices”;
- ✓ “The District has grown its financial cushion to “robust” levels despite enrollment pressures and state funding cuts. General fund balances have increased to \$112 million (60% of spending)...”;
- ✓ “Trend of surplus operations and maintenance of healthy reserves”; and
- ✓ “The District benefits from a strong management team”.



# 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 for District taxpayers!**

## 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
<b>Totals</b>		<b>\$ 484,125,000</b>	<b>\$ 83,390,924</b>



# Overview of Financing Team Members – Series 2017 Refunding Bonds

## Overview of Financing Team Members – Series 2017 Refunding Bonds

<b>Issuer:</b>	Northwest Independent School District
<b>Financial Advisor:</b>	FirstSouthwest, a Division of Hilltop Securities Inc.
<b>Bond Counsel:</b>	McCall, Parkhurst & Horton L.L.P.
<b>Paying Agent:</b>	UMB Bank
<b>Rating Agencies:</b>	Moody’s Investors Service, Inc. Fitch Ratings, Inc.
<b>Underwriters:</b>	
■ Senior Manager:	BOK Financial Securities, Inc.
■ Co-Manager:	Raymond James
■ Co-Manager:	RBC Capital Markets
<b>Underwriters’ Counsel:</b>	Norton Rose Fulbright US LLP