



*Teamwork | Pride | Excellence*



# Northwest

## INDEPENDENT SCHOOL DISTRICT

## Post-Pricing Information – Unlimited Tax School Building Bonds, Series 2018

Friday, June 1, 2018

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 2018 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 2018 (the “Series 2018 Bonds”) issued to fund necessary capital improvements within the District.
- ❑ **Summary of Bond Sale Results:**
  - ❖ Based upon prevailing market conditions on Wednesday, May 30, 2018, the District successfully sold its Series 2018 Bonds at an “All-In” True Interest Rate of 3.69%. The District’s actual interest rate is 0.40% below the projected 4.09% 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 2018 Bonds are \$8,365,464 less than previously anticipated.**

## Summary of Actual Financing Plan – Series 2018 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 2018 Bonds	4.09%	3.69%	0.40%
Projected Total Bond Payments – Series 2018 Bonds	\$ 174,994,808	\$ 166,629,344	\$ 8,365,464
Percentage of Principal to be Repaid in First 5 Years	10.1%	10.7%	(0.6%)
Final Maturity – Series 2018 Bonds	25 Years	25 Years	---



# Sources and Uses of Funds and Historical Bond Elections

- ❑ The proceeds of the Series 2018 Bonds are scheduled to be delivered to the District's Construction Fund on Thursday, June 28, 2018.

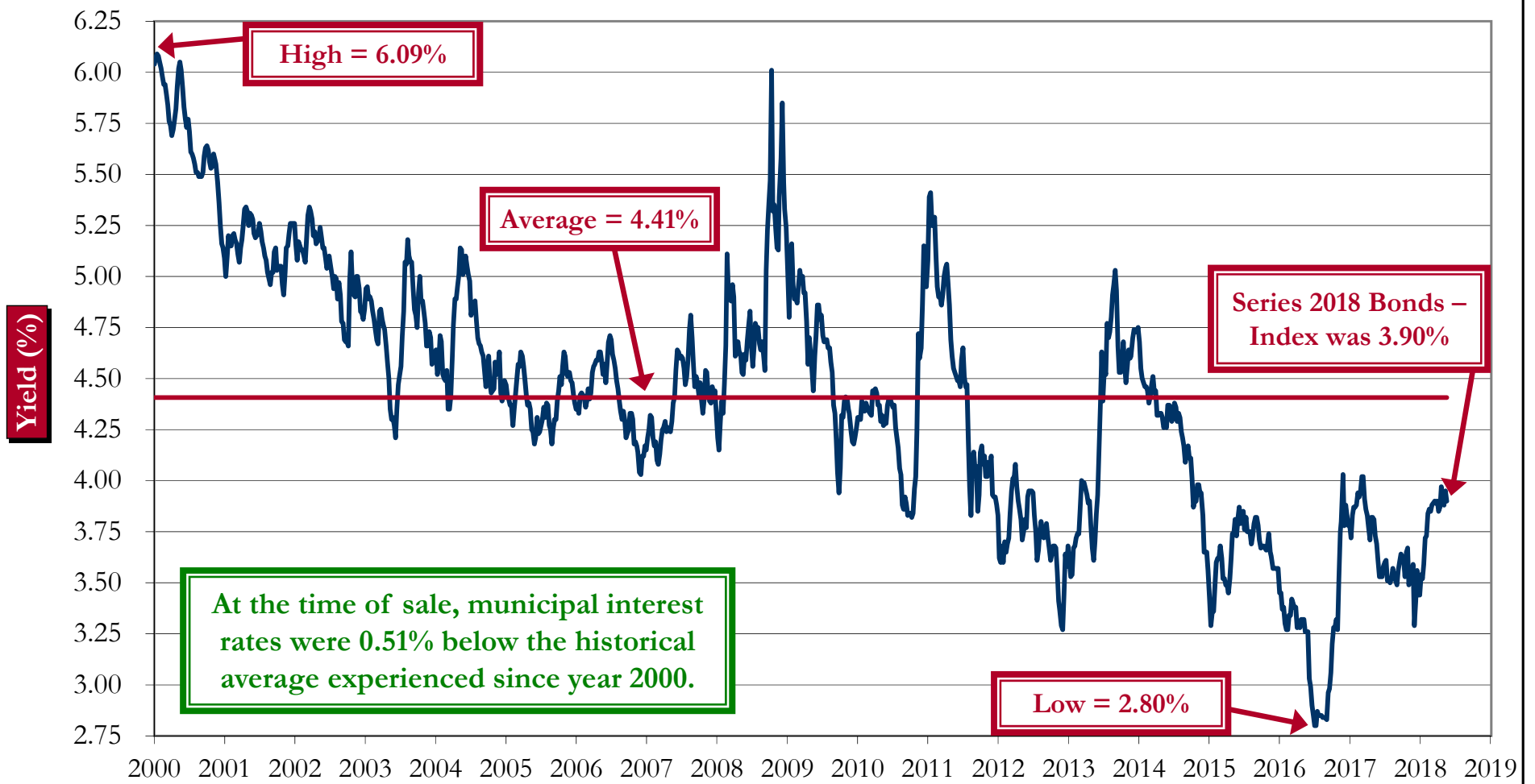
<b>Sources and Uses of Funds – Series 2018 Bonds</b>	
<b>Sources of Funds:</b>	
Principal Amount of Series 2018 Bonds	\$ 94,890,000.00
Premium on Series 2018 Bonds	<u>5,846,199.65</u>
<b>Total Sources of Funds</b>	<b><u>\$ 100,736,199.65</u></b>
<b>Uses of Funds:</b>	
<b>Deposit to Construction Fund</b>	<b>\$ 100,000,000.00</b>
Estimated Costs of Issuance	293,000.00
Underwriters' Discount	442,797.36
Rounding Amount/Contingency	<u>402.29</u>
<b>Total Uses of Funds</b>	<b><u>\$ 100,736,199.65</u></b>

<b>District's Historical Bond Elections Approved By Voters</b>						
<b>Election Date</b>	<b>Purpose</b>	<b>Student Enrollment</b>	<b>Election Amount</b>	<b>Dollar Amount Previously Issued</b>	<b>Dollar Amount Issued - Series 2018 Bonds</b>	<b>Dollar Amount Remaining To Be Issued</b>
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	\$0	\$100,000,000	\$299,000,000
					<b>\$100,000,000</b>	<b>\$299,000,000</b>



# Overview of Interest Rates – Series 2018 Bonds

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

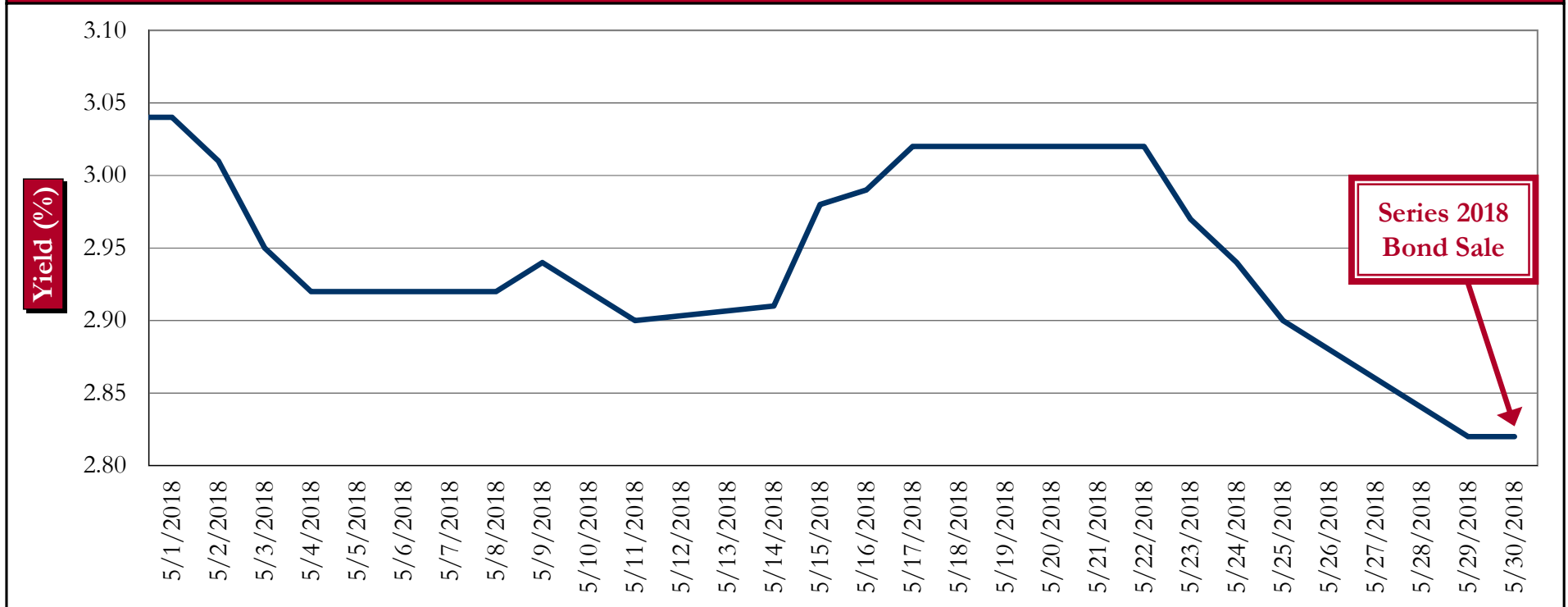




# Overview of Interest Rates – Series 2018 Bonds

- ❑ Since the beginning of May 2018, the Municipal Market Data (“MMD”) Index for a 25-year bond maturity declined by 0.22% prior to the sale of the District’s Series 2018 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 2018 Bonds were at the lowest levels experienced since January 2018.

**“AAA” Municipal Market Data (“MMD”) Interest Rates – 25-Year Maturity  
May 1, 2018 To May 30, 2018 (Day of Sale – Series 2018 Bonds)**

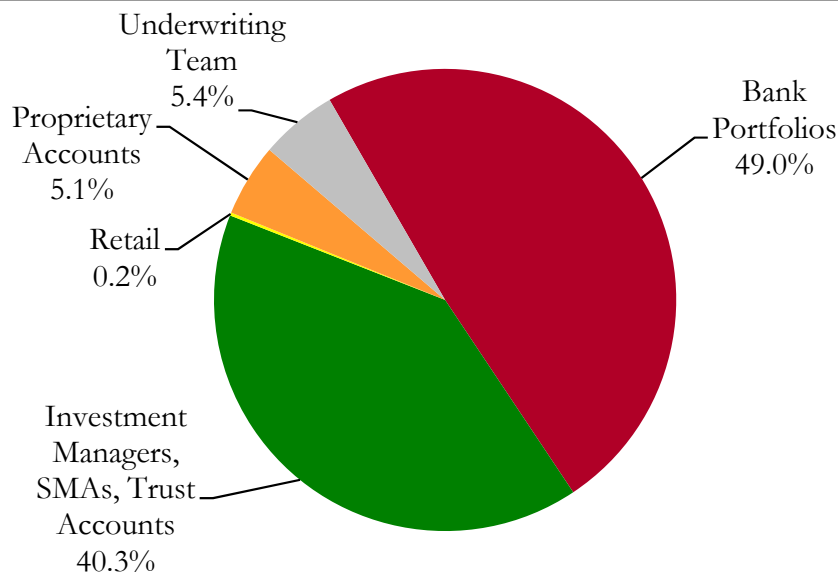




# Summary of Bond Underwriting Process – Series 2018 Bonds

- ❑ With a lack of new issue supply in the municipal marketplace following the Memorial Day holiday weekend and growing geopolitical concerns abroad, Northwest ISD was able to capitalize on favorable market interest rates stemming from a rally in the U.S. Treasury market on Tuesday, May 29.
- ❑ As a result of investor demand in certain maturities, BOK Financial Securities, Inc., in consultation with the District’s financial advisor, was able to lower the District’s initial interest rates on \$7,470,000 of the bonds maturing in years 2020 and 2024 - 2028 by 0.01% to 0.03%. To meet investor preferences and deliver a successful sale to the District, an alternative coupon structure was utilized for bonds maturing in years 2038 - 2043, which also contributed to lowering the District’s initial borrowing cost.
- ❑ The District’s Series 2018 Bonds were sold to a diverse investor base of 25 institutional investors.

**Investors by Account Type – Series 2018 Bonds**



**Top 10 Investors - Series 2018 Bonds**

Investor	Bonds Purchased	% of Total Bonds
Wells Fargo Bank Portfolio	\$ 46,470,000	49.0%
Invesco PowerShares Capital Management LLC	10,000,000	10.5%
Offit Capital Advisors LLC	4,720,000	5.0%
Citigroup Global Markets Inc.	3,410,000	3.6%
Bellvale LLC	3,265,000	3.4%
Morgan Stanley Private Wealth Management	3,260,000	3.4%
Breckinridge Capital Advisors, Inc.	2,385,000	2.5%
Performance Trust	2,335,000	2.5%
Baird Advisors	2,110,000	2.2%
BNY Mellon Wealth Management	1,965,000	2.1%
<b>Top 10 Totals</b>	<b>\$ 79,920,000</b>	<b>84.2%</b>



# Summary of Orders – Series 2018 Bonds

- ❑ The following provides a summary of the bond orders submitted by the underwriting syndicate for the District’s Series 2018 Bonds.
- ❑ As Senior Manager, BOK Financial Securities, Inc. generated \$123,895,000 of investor orders.
- ❑ \$5,130,000 of the Series 2018 Bonds that remained unsold at the end of the day were “underwritten” by the underwriting syndicate at the original interest rates.

**Northwest ISD - Summary of Orders by Maturity - Series 2018 Bonds**

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 Pricing Day
		Investor Orders	Stock Orders	Investor Orders	Stock Orders	Investor Orders	Stock Orders	Investor Orders	Stock Orders			
2/15/2019	\$ 4,720,000	\$ 18,880,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,720,000	\$ -	\$ 23,600,000	\$ 23,600,000	\$ -
2/15/2020	1,195,000	2,865,000	-	-	-	-	-	-	-	2,865,000	2,865,000	-
2/15/2021	1,205,000	2,150,000	-	-	-	-	-	-	-	2,150,000	2,150,000	-
2/15/2022	1,465,000	795,000	670,000	-	-	-	-	-	1,000,000	795,000	2,465,000	670,000
2/15/2023	1,605,000	1,995,000	-	-	-	-	-	-	1,000,000	1,995,000	2,995,000	-
2/15/2024	1,235,000	4,105,000	-	-	-	1,235,000	-	1,000,000	1,000,000	4,105,000	6,340,000	-
2/15/2025	1,245,000	2,860,000	-	-	-	1,245,000	-	1,000,000	1,000,000	2,860,000	5,105,000	-
2/15/2026	1,255,000	3,765,000	-	-	-	1,255,000	-	-	-	3,765,000	5,020,000	-
2/15/2027	1,265,000	5,060,000	-	-	-	1,265,000	-	-	-	5,060,000	6,325,000	-
2/15/2028	1,275,000	4,840,000	-	-	-	1,275,000	-	-	-	4,840,000	6,115,000	-
2/15/2029	1,290,000	1,290,000	-	-	-	-	-	-	-	1,290,000	1,290,000	-
2/15/2030	1,300,000	420,000	-	-	-	-	-	880,000	-	1,300,000	1,300,000	-
2/15/2031	1,415,000	1,415,000	-	-	-	-	-	-	-	1,415,000	1,415,000	-
2/15/2032	1,335,000	2,670,000	-	-	-	-	-	-	1,000,000	2,670,000	3,670,000	-
2/15/2033	1,890,000	3,800,000	-	-	-	-	-	-	1,000,000	3,800,000	4,800,000	-
2/15/2034	1,365,000	1,365,000	-	-	1,365,000	-	1,365,000	200,000	1,000,000	1,565,000	5,295,000	-
2/15/2035	1,395,000	1,395,000	-	-	1,395,000	-	1,395,000	-	1,000,000	1,395,000	5,185,000	-
2/15/2036	3,015,000	3,015,000	-	-	3,015,000	-	3,015,000	-	1,000,000	3,015,000	10,045,000	-
2/15/2037	4,460,000	-	4,460,000	-	-	-	-	-	1,000,000	-	5,460,000	4,460,000
2/15/2038	2,100,000	2,350,000	-	-	2,100,000	-	-	-	1,000,000	2,350,000	5,450,000	-
2/15/2039	2,390,000	2,390,000	-	-	2,390,000	-	-	-	1,000,000	2,390,000	5,780,000	-
2/15/2043	56,470,000	56,470,000	-	-	10,000,000	10,200,000	20,000,000	-	10,000,000	66,670,000	106,670,000	-
<b>Totals</b>	<b>\$ 94,890,000</b>	<b>\$123,895,000</b>	<b>\$ 5,130,000</b>	<b>\$ -</b>	<b>\$ 20,265,000</b>	<b>\$ 10,200,000</b>	<b>\$ 32,050,000</b>	<b>\$ 5,800,000</b>	<b>\$ 22,000,000</b>	<b>\$139,895,000</b>	<b>\$219,340,000</b>	<b>\$ 5,130,000</b>





# Final Pricing Results – Series 2018 Bonds

## Final Pricing Scale - Series 2018 Bonds

Issuer/State:	Northwest Independent School District, Texas
Maturity Amount:	\$94,890,000
Sale Date:	Wednesday, May 30, 2018
Settlement Date:	Thursday, June 28, 2018
Optional Redemption Feature:	Maturities February 15, 2024 - 2028 Are Callable Beginning February 15, 2023 @ Par
	Maturities February 15, 2029 - 2043 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	Yield Adjustments
2/15/2019	\$4,720,000	3.000	1.660	1.660	Sealed Bid	Sealed Bid
2/15/2020	1,195,000	4.000	1.820	1.820	2.40x	(0.01)
2/15/2021	1,205,000	4.000	1.940	1.940	1.78x	---
2/15/2022	1,465,000	5.000	2.010	2.010	0.54x	---
2/15/2023	1,605,000	5.000	2.100	2.100	1.24x	---
2/15/2024	1,235,000	4.000	2.220	2.508	3.32x	(0.02)
2/15/2025	1,245,000	4.000	2.330	2.788	2.30x	(0.01)
2/15/2026	1,255,000	4.000	2.420	2.985	3.00x	(0.02)
2/15/2027	1,265,000	4.000	2.480	3.120	4.00x	(0.03)
2/15/2028	1,275,000	4.000	2.530	3.223	3.80x	(0.03)
2/15/2029	1,290,000	5.000	2.660	2.834	1.00x	---
2/15/2030	1,300,000	5.000	2.700	3.011	1.00x	---
2/15/2031	1,415,000	5.000	2.740	3.162	1.00x	---
2/15/2032	1,335,000	5.000	2.790	3.299	2.00x	---
2/15/2033	1,890,000	5.000	2.830	3.411	2.01x	---
2/15/2034	1,365,000	4.000	3.160	3.424	1.15x	---
2/15/2035	1,395,000	4.000	3.220	3.488	1.00x	---
2/15/2036	3,015,000	4.000	3.280	3.547	1.00x	---
2/15/2037	4,460,000	5.000	2.970	3.733	0.00x	---
2/15/2038	2,100,000	4.000	3.370	3.631	1.12x	*Coupon Change*
2/15/2039	2,390,000	4.000	3.380	3.649	1.00x	*Coupon Change*
2/15/2043	56,470,000	4.000	3.520	3.756	1.18x	*Coupon Change*

Based upon the investor demand for the Series 2018 Bonds, interest rates were lowered up to 0.03% in certain maturities.







# 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 \$8,365,464 lower borrowing cost on the Series 2018 Bonds and the favorable results of the District's Series 2017 Bonds and Series 2015 School Building Bonds, the aggregate savings generated for District taxpayers is **\$110,146,295** over the last 4 years!

<b>Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds</b>				
<b>Issue / Description</b>	<b>Series Refunded</b>	<b>Principal Amount Refunded</b>	<b>Total Savings</b>	
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>Subtotal - Bond Refunding Programs / Prepayment of Bonds</b>		<b>\$ 484,125,000</b>	<b>\$</b>	<b>83,390,924</b>
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
<b>Total</b>			<b>\$</b>	<b>110,146,295</b>



# Overview of Financing Team Members – Series 2018 Bonds

## Overview of Financing Team Members – Series 2018 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