



Teamwork | Pride | Excellence



Northwest

INDEPENDENT SCHOOL DISTRICT

Post-Pricing Information – Unlimited Tax School Building Bonds, Series 2017

Monday, June 5, 2017

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Post-Pricing Summary – Series 2017 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 2017 (the “Series 2017 Bonds”) issued to fund necessary capital improvements within the District.

➤ **Summary of Bond Sale Results:**

- ❖ Given prevailing municipal market conditions on Wednesday, May 24, 2017, the District successfully sold its Series 2017 Bonds at a True Interest Rate of 3.86%. The District’s actual interest rate is 0.29% below the projected 4.15% interest rate previously communicated to the Board of Trustees.
- ❖ Based upon the prudent market timing of the District and its financial advisor, **the District’s actual bond payments on the Series 2017 Bonds are \$11,545,927 less than previously anticipated.**

Summary of Actual Financing Plan – Series 2017 Bonds

Description	Preliminary Financing Plan	Actual Results	Difference
Funds Available for Capital Improvements within the District	\$ 100,000,000	\$ 100,000,000	---
True Interest Rate – Series 2017 Bonds	4.15%	3.86%	0.29%
Projected Total Bond Payments – Series 2017 Bonds	\$ 180,425,630	\$ 168,879,703	\$ 11,545,927
Percentage of Principal to be Repaid in First 5-Years	10.6%	19.2%	(8.6%)
Final Maturity – Series 2017 Bonds	25-Years	25-Years	---



Sources and Uses of Funds and Historical Bond Elections

- ❑ The proceeds of the Series 2017 Bonds are scheduled to be delivered to the District's Construction Fund on Tuesday, June 27, 2017.

Sources and Uses of Funds – Series 2017 Bonds	
Sources of Funds:	
Principal Amount of Series 2017 Bonds	\$ 90,520,000.00
Premium on Series 2017 Bonds	<u>10,189,488.10</u>
Total Sources of Funds	<u>\$ 100,709,488.10</u>
Uses of Funds:	
Deposit to Construction Fund	\$ 100,000,000.00
Estimated Costs of Issuance	301,500.00
Underwriters' Discount	403,280.60
Rounding Amount/Contingency	<u>4,707.50</u>
Total Uses of Funds	<u>\$ 100,709,488.10</u>

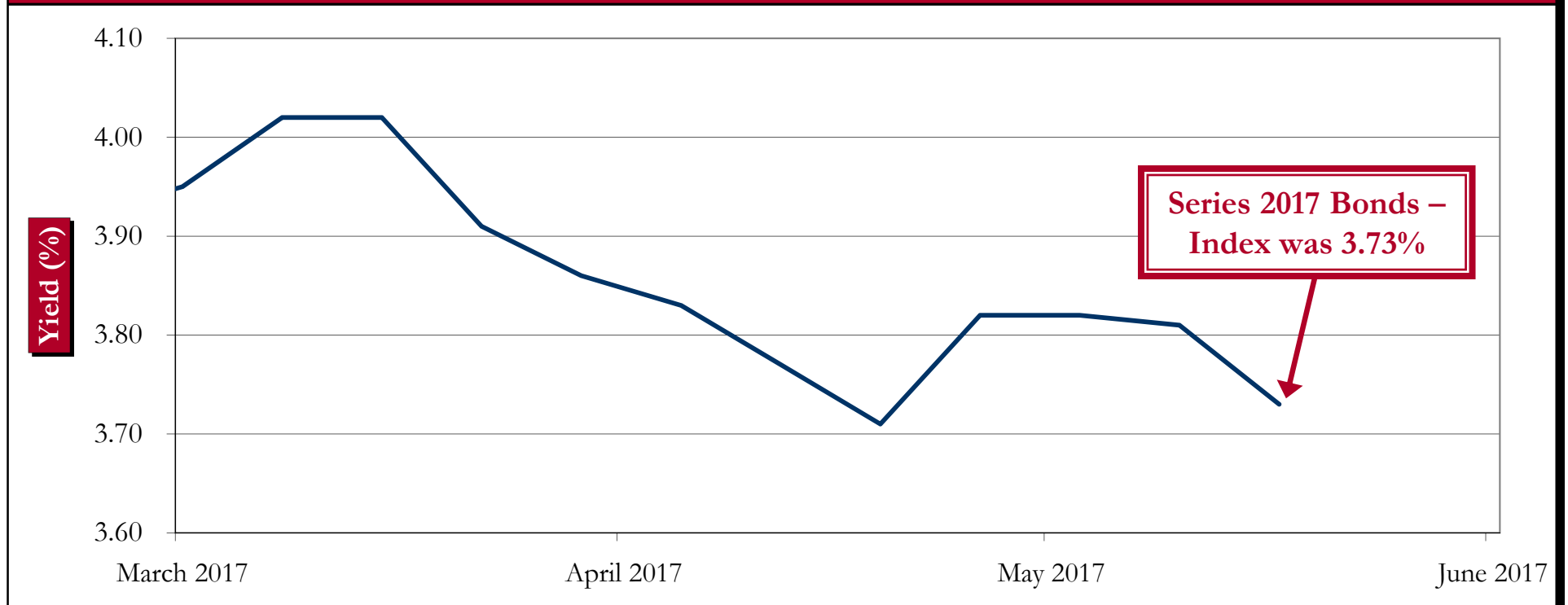
District's Historical Bond Elections Approved By Voters						
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Previously Issued	Dollar Amount Issued - Series 2017 Bonds	Dollar Amount Remaining To Be Issued
February 24, 2001	School Building & Stadium	5,373	\$182,200,000	\$182,200,000	\$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	\$215,000,000	\$45,000,000	\$0
November 6, 2012	School Building	17,811	\$255,000,000	\$200,000,000	\$55,000,000	\$0
May 6, 2017	School Building & Technology	22,044	\$399,000,000	\$0	\$0	\$399,000,000
					\$100,000,000	\$399,000,000



Overview of Interest Rates – Series 2017 Bonds

- ❑ For the 2-months prior to the sale of the District’s Series 2017 Bonds, municipal interest rates declined by as much as 0.31%.
- ❑ At the time of sale, interest rates were near the lowest levels experienced during year 2017.
- ❑ Municipal interest rates were also 0.72% below the historical average experienced since year 2000.

**The Bond Buyer 20-Bond Index – A Tax-Exempt General Obligation Bond Yield Index
March 1, 2017 To May 24, 2017 (Day of Sale – Series 2017 Bonds)**

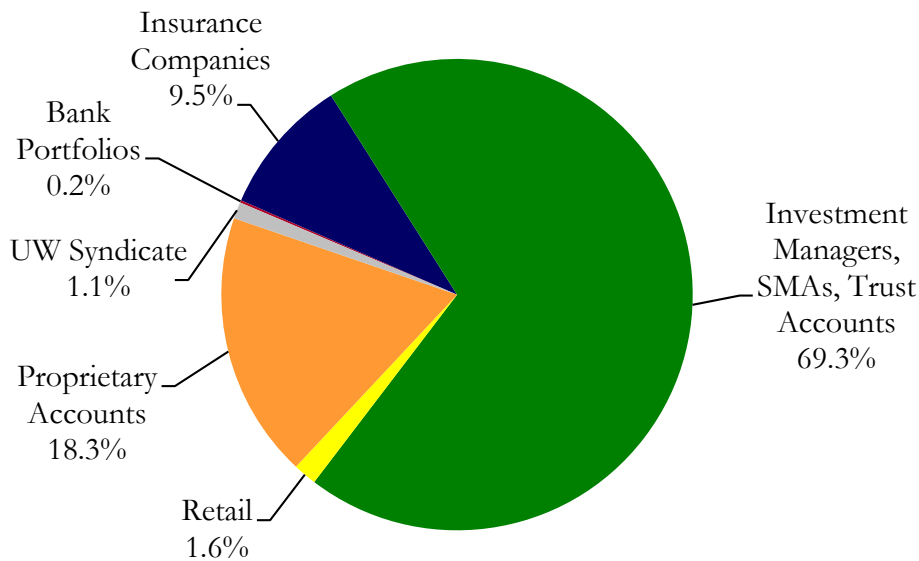




Summary of Bond Underwriting Process – Series 2017 Bonds

- ❑ Benefitting from the recent municipal market rally, Northwest ISD utilized its high bond ratings, sound financial position and market reputation to garner significant investor interest for its Series 2017 Bonds.
- ❑ During the “order period”, investors submitted \$268,740,000 of orders or 2.97x 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 \$17,665,000 of the bonds maturing in years 2033 - 2038 by 0.05% to 0.06% – Further lowering the District’s interest cost.
- ❑ The District’s Series 2017 Bonds were sold to a diverse investor base of 28 institutional investors.

Investors by Account Type – Series 2017 Bonds



Top 10 Investors - Series 2017 Bonds

Investor	Bonds Purchased	% of Total Bonds
BlackRock	\$ 42,000,000	46.4%
C.W. Henderson & Associates, Inc.	10,500,000	11.6%
16th Amendment Advisors LLC	9,000,000	9.9%
State Farm Insurance Companies	8,565,000	9.5%
Merrill Lynch Relative Value	2,500,000	2.8%
J.P. Morgan Asset Management	2,150,000	2.4%
Mariner Investment Group, LLC	1,900,000	2.1%
Asset Preservation Advisors	1,500,000	1.7%
CFG Capital Markets, LLC	1,305,000	1.4%
Luther King Capital Management Corp.	1,200,000	1.3%
Top 10 Totals	\$ 80,620,000	89.1%



Summary of Orders – Series 2017 Bonds

- ❑ The following provides a summary of the bond orders submitted by the underwriting syndicate for the District’s Series 2017 Bonds.
- ❑ As Senior Manager, BOK Financial Securities, Inc. generated \$257,415,000 of investor orders.
- ❑ \$1,025,000 of the Series 2017 Bonds that remained unsold after the order period were “underwritten” by the underwriting syndicate at the original interest rates.

Northwest ISD - Summary of Orders by Maturity - Series 2017 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/ Underwritten
		Investor Orders	Stock Orders	Investor Orders	Stock Orders	Investor Orders	Stock Orders	Investor Orders	Stock Orders			
2/15/2018	\$ 10,500,000	\$ 21,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,500,000	\$ -	\$ 31,500,000	\$ 31,500,000	\$ -
2/15/2019	1,725,000	3,450,000	-	-	-	-	-	-	1,000,000	3,450,000	4,450,000	-
2/15/2020	1,725,000	2,975,000	-	-	-	1,725,000	-	1,000,000	1,000,000	2,975,000	5,700,000	-
2/15/2021	1,725,000	3,825,000	-	-	1,725,000	-	1,725,000	-	1,000,000	3,825,000	8,275,000	-
2/15/2022	1,725,000	1,000,000	-	-	1,725,000	175,000	-	-	1,000,000	1,175,000	3,900,000	550,000
2/15/2023	100,000	100,000	-	-	-	-	-	-	-	100,000	100,000	-
2/15/2024	100,000	200,000	-	-	-	-	-	-	-	200,000	200,000	-
2/15/2025	100,000	100,000	-	-	-	-	-	-	-	100,000	100,000	-
2/15/2026	100,000	-	75,000	25,000	-	-	-	-	-	25,000	100,000	75,000
2/15/2027	100,000	-	-	-	-	-	100,000	-	-	-	100,000	100,000
2/15/2028	100,000	-	100,000	-	-	-	100,000	-	-	-	200,000	100,000
2/15/2029	100,000	-	-	-	-	-	100,000	-	-	-	100,000	100,000
2/15/2030	100,000	-	100,000	-	-	-	100,000	-	-	-	200,000	100,000
2/15/2031	100,000	100,000	-	-	-	-	100,000	-	-	100,000	200,000	-
2/15/2032	100,000	100,000	-	-	-	-	100,000	-	-	100,000	200,000	-
2/15/2033	1,540,000	14,360,000	-	-	1,540,000	50,000	1,540,000	-	1,475,000	14,410,000	18,965,000	-
2/15/2034	1,385,000	14,350,000	-	-	1,385,000	-	1,385,000	-	1,315,000	14,350,000	18,435,000	-
2/15/2035	2,375,000	19,675,000	-	-	2,375,000	-	2,375,000	-	2,000,000	19,675,000	26,425,000	-
2/15/2036	6,265,000	53,530,000	-	-	6,265,000	-	6,265,000	-	5,000,000	53,530,000	71,060,000	-
2/15/2037	1,500,000	12,675,000	-	-	-	-	1,500,000	-	1,425,000	12,675,000	15,600,000	-
2/15/2038	4,600,000	25,820,000	-	575,000	-	-	4,600,000	-	4,520,000	26,395,000	35,515,000	-
2/15/2042	54,455,000	84,155,000	-	-	5,000,000	-	2,000,000	-	-	84,155,000	91,155,000	-
Totals	\$ 90,520,000	\$257,415,000	\$ 275,000	\$ 600,000	\$ 20,015,000	\$ 225,000	\$ 23,715,000	\$ 10,500,000	\$ 19,735,000	\$268,740,000	\$332,480,000	\$ 1,025,000



Final Pricing Results – Series 2017 Bonds

Final Pricing Scale - Series 2017 Bonds

Issuer/State:	Northwest Independent School District, Texas
Principal Amount:	\$90,520,000
Sale Date:	Wednesday, May 24, 2017
Settlement Date:	Tuesday, June 27, 2017
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 2017 Bonds, interest rates were lowered by 0.05% to 0.06% in certain maturities.

Maturity Date	Principal Amount	Coupon	Final Yield	Final Yield To Maturity	Preliminary Marketing Yield	Priority Order Book	Yield Adjustments
2/15/2018	\$10,500,000	3.000	0.810	0.810	Sealed Bid	Sealed Bid	Sealed Bid
2/15/2019	1,725,000	5.000	0.970	0.970	0.970	2.00x	---
2/15/2020	1,725,000	5.000	1.100	1.100	1.100	1.72x	---
2/15/2021	1,725,000	5.000	1.230	1.230	1.230	2.22x	---
2/15/2022	1,725,000	2.250	1.390	1.390	1.390	0.65x	---
2/15/2023	100,000	2.250	1.530	1.530	1.530	1.00x	---
2/15/2024	100,000	2.250	1.690	1.690	1.690	2.00x	---
2/15/2025	100,000	2.250	1.860	1.860	1.860	1.00x	---
2/15/2026	100,000	3.000	2.080	2.080	2.080	0.25x	---
2/15/2027	100,000	4.000	2.240	2.394	2.240	0.00x	---
2/15/2028	100,000	4.000	2.430	2.678	2.430	0.00x	---
2/15/2029	100,000	4.000	2.560	2.872	2.560	0.00x	---
2/15/2030	100,000	4.000	2.700	3.045	2.700	0.00x	---
2/15/2031	100,000	4.000	2.840	3.196	2.840	1.00x	---
2/15/2032	100,000	4.000	2.970	3.323	2.970	1.00x	---
2/15/2033	1,540,000	4.000	3.000	3.374	3.050	9.36x	(0.05)
2/15/2034	1,385,000	4.000	3.070	3.443	3.130	10.36x	(0.06)
2/15/2035	2,375,000	4.000	3.130	3.500	3.180	8.28x	(0.05)
2/15/2036	6,265,000	4.000	3.170	3.541	3.220	8.54x	(0.05)
2/15/2037	1,500,000	4.000	3.210	3.578	3.260	8.45x	(0.05)
2/15/2038	4,600,000	4.000	3.240	3.607	3.290	5.74x	(0.05)
2/15/2042	54,455,000	5.000	2.990	4.022	2.990	1.55x	---



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

- ❑ Since year 2015, Northwest ISD has implemented 5 refunding programs and prepaid \$4.1 million of existing bonds to reduce the cost of voter-approved bonds – Which have generated \$78,793,949 of savings.
- ❑ Coupled with the District's \$11,545,927 lower borrowing cost on the Series 2017 Bonds and the favorable results of the District's Series 2015 School Building Bonds, the aggregate savings generated for District taxpayers is **\$97,183,856** over the last 28 months!

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
Subtotal - Bond Refunding Programs / Prepayment of Bonds		\$ 453,835,000	\$ 78,793,949
Borrowing Cost Savings - Series 2015 School Building Bonds			\$ 6,843,980
Borrowing Cost Savings - Series 2017 Bonds			11,545,927
Total			\$ 97,183,856



Overview of Financing Team Members – Series 2017 Bonds

Overview of Financing Team Members – Series 2017 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, n.a.
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