



*Teamwork | Pride | Excellence*



# Northwest

## INDEPENDENT SCHOOL DISTRICT

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

**Monday, February 29, 2016**



# Post-Pricing Summary – Series 2016 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 2016 (the "Series 2016 Refunding Bonds").
- **Summary of Refunding Program Results:**
  - ❖ Given the favorable municipal market conditions on Tuesday, February 23, 2016, the District successfully sold its Series 2016 Refunding Bonds at a True Interest Rate of 2.97% to refund certain of the District's existing bonds with an interest rate of 4.86%.
  - ❖ Based upon this interest rate differential, a direct savings of \$10,748,113 was achieved for the taxpayers of Northwest ISD!
  - ❖ The closing of this transaction is scheduled for Tuesday, March 15, 2016.

Summary of Savings – Final Results – Series 2016 Refunding Bonds	
Description	Final Results
Principal Amount of Refunded Bonds	\$ 51,560,000
Interest Rate on Existing Refunded Bonds	4.86%
True Interest Rate – Series 2016 Refunding Bonds	2.97%
Total Savings to the District (Net of Costs)	\$ 10,748,113
Present Value Savings as a Percentage of the Principal Amount of the Refunded Bonds	13.31%



# Summary of Savings – Series 2016 Refunding Bonds

Series 2016 Refunding Bonds – Actual Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Bond Payments – Refunded Bonds	Plus: Bond Payments – Series 2016 Refunding Bonds	Bond Payments – After Refunding Program	Savings (Col. B – E)
2015/16	\$ 52,080,503	\$ 1,245,806	\$ 1,243,875	\$ 52,078,572	\$ 1,931
2016/17	52,312,033	2,491,613	2,490,250	52,310,670	1,363
2017/18	53,607,845	2,491,613	2,488,250	53,604,483	3,363
2018/19	55,293,845	5,755,650	5,753,300	55,291,495	2,350
2019/20	57,032,483	3,824,188	3,819,550	57,027,845	4,638
2020/21	57,575,801	2,268,688	2,268,613	57,575,726	75
2021/22	59,105,743	2,268,688	2,266,613	59,103,668	2,075
2022/23	59,574,134	2,268,688	2,268,050	59,573,496	638
2023/24	60,645,333	2,268,688	2,267,825	60,644,470	863
2024/25	61,292,788	2,268,688	2,264,500	61,288,600	4,188
2025/26	61,957,188	2,268,688	2,265,025	61,953,525	3,663
2026/27	62,638,263	2,268,688	2,266,525	62,636,100	2,163
2027/28	63,318,325	6,163,925	4,630,900	61,785,300	1,533,025
2028/29	61,145,256	9,450,456	7,920,900	59,615,700	1,529,556
2029/30	54,592,588	10,778,375	9,246,150	53,060,363	1,532,225
2030/31	53,354,838	7,323,800	5,794,000	51,825,038	1,529,800
2031/32	51,187,600	7,553,350	6,022,400	49,656,650	1,530,950
2032/33	39,434,775	7,815,300	6,282,200	37,901,675	1,533,100
2033/34	40,060,650	5,668,250	4,136,100	38,528,500	1,532,150
2034/35	38,592,275	---	---	38,592,275	---
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	---
<b>Totals</b>	<b>\$ 1,272,086,137</b>	<b>\$ 86,443,138</b>	<b>\$ 75,695,025</b>	<b>\$ 1,261,338,024</b>	<b>\$ 10,748,113</b>



# Sources and Uses of Funds – Series 2016 Refunding Bonds

## Sources and Uses of Funds – Series 2016 Refunding Bonds

### Sources of Funds:

Principal Amount of Series 2016 Refunding Bonds	\$ 49,510,000.00
Premium on Series 2016 Refunding Bonds	<u>6,479,699.40</u>
<b>Total Sources of Funds</b>	<b><u>\$ 55,989,699.40</u></b>

### Uses of Funds:

Escrow Cost – To Repay Refunded Bonds	\$ 55,491,977.02
Estimated Costs of Issuance	205,000.00
Underwriters' Discount	290,580.40
Rounding Amount/Contingency	<u>2,141.98</u>
<b>Total Uses of Funds</b>	<b><u>\$ 55,989,699.40</u></b>

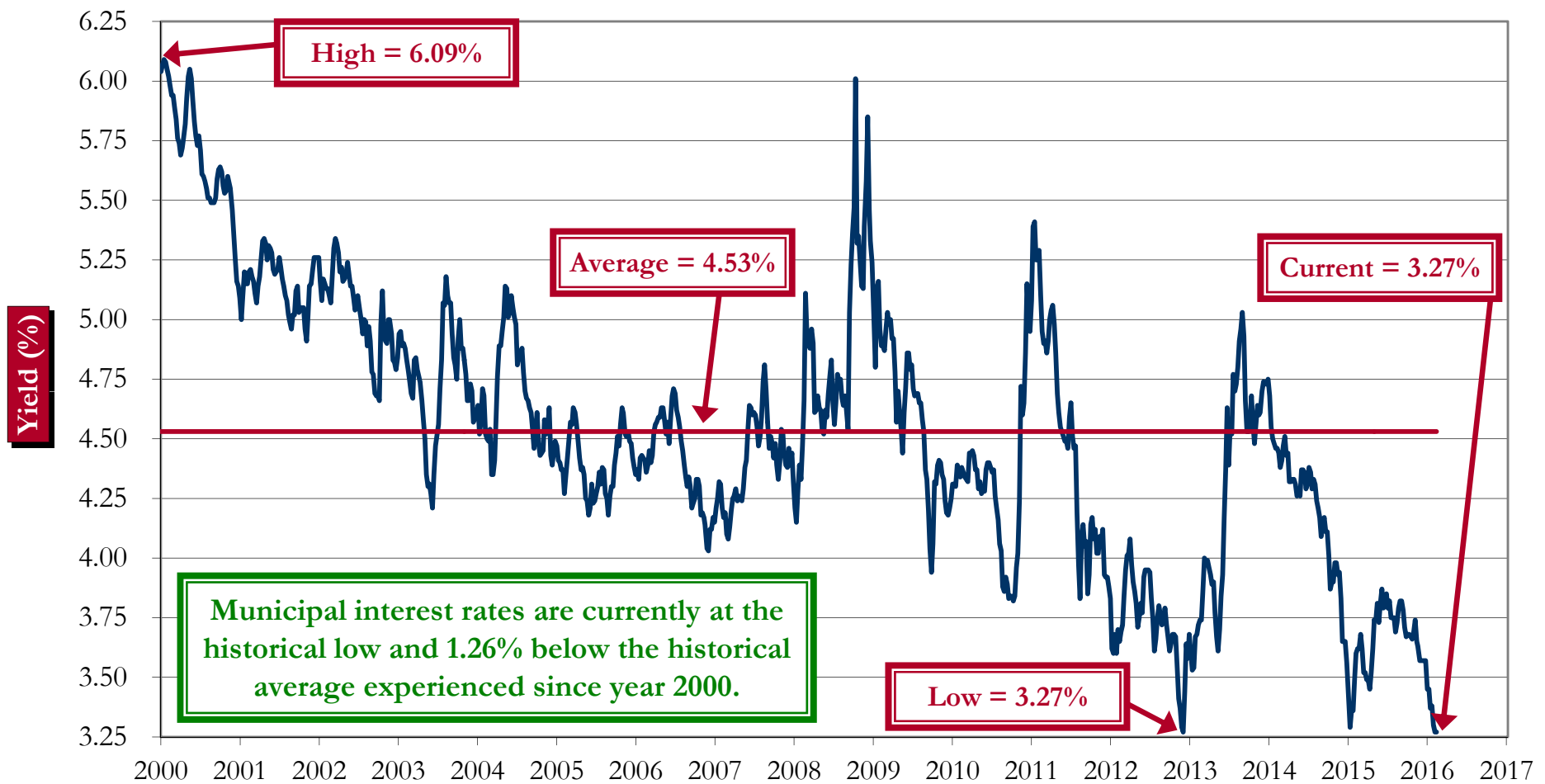
## Summary of Refunded Bonds

Issue Outstanding	Principal Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building and Refunding Bonds, Series 2008	\$ 6,935,000	02/15/2030 – 2033	4.50%	02/15/2017	100.0%
Unlimited Tax School Building Bonds, Series 2009	35,040,000	02/15/2019; 02/15/2028 – 2034	4.92%	02/15/2018	100.0%
Unlimited Tax School Building Bonds, Series 2010	9,585,000	02/15/2019 – 2020; 02/15/2029 – 2030	4.91%	02/15/2018	100.0%
<b>Totals:</b>	<b>\$ 51,560,000</b>	---	<b>4.86%</b>	---	---



# Current Market Review – Interest Rates

## 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 2016 Refunding Bonds

- ❑ During the initial “order period” for the District’s Series 2016 Refunding Bonds, \$28,815,000 of investor orders were generated.
- ❑ With \$28.1 million of the Bonds remaining unsold after the “order period”, BOSC, Inc. made the commitment to maintain the original interest rates and/or modify the coupon structure on the Bonds to deliver a successful sale to the District.
- ❑ After the commitment to underwrite, the majority of the remaining bonds were successfully sold to investors over the following 3 days.
- ❑ The District’s Series 2016 Refunding Bonds were sold to the following investors:
  - Old Orchard Capital Management
  - Jefferies Relative Value
  - Performance Trust
  - Susquehanna International Group
  - Northern Trust
  - Goldman Asset Management
  - Eaton Vance - TABS
  - Loews Corporation
  - Century Securities Associates
  - Davidson Investment Advisors
  - Texas Farm Bureau Casualty
  - Goldman Private Wealth Management
  - Gurtin Fixed Income
  - Columbia Trust
  - Frost Investment Advisors
  - Luther King Capital Management Corp.



# Final Pricing Results – Series 2016 Refunding Bonds

Final Pricing Scale - Series 2016 Refunding Bonds							
<b>Issuer/State:</b>		<b>Northwest Independent School District, Texas</b>					
<b>Principal Amount:</b>		<b>\$49,510,000</b>					
<b>Sale Date:</b>		<b>Tuesday, February 23, 2016</b>					
<b>Settlement Date:</b>		<b>Tuesday, March 15, 2016</b>					
<b>Optional Redemption Feature:</b>		<b>Bonds Are Callable February 15, 2026 @ Par</b>					
<b>Ratings:</b>		<b>Moody's: "Aaa" / "Aa2"      Fitch: "AAA" / "AA"</b>					
<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Coupon</b>	<b>Final Yield</b>	<b>Final Yield To Maturity</b>	<b>Preliminary Marketing Yield To Maturity</b>	<b>Priority Order Book - After Initial Order Period</b>	<b>Yield To Maturity Adjustments</b>
8/15/2016	\$425,000	1.000	0.300	0.300	Sealed Bid	Sealed Bid	Sealed Bid
2/15/2017	540,000	4.000	0.500	0.500	0.500	1.00x	---
2/15/2018	560,000	4.000	0.670	0.670	0.670	0.00x	---
2/15/2019	3,875,000	2.000	0.820	0.820	0.820	2.00x	---
2/15/2020	2,000,000	2.000	0.950	0.950	0.950	0.00x	---
2/15/2021	475,000	2.500	1.070	1.070	1.070	0.00x	---
2/15/2022	485,000	2.500	1.290	1.290	1.290	0.00x	---
2/15/2023	500,000	3.000	1.490	1.490	1.490	0.00x	---
2/15/2024	515,000	3.000	1.680	1.680	1.680	0.00x	---
2/15/2025	530,000	4.000	1.840	1.840	1.840	0.00x	---
2/15/2026	555,000	5.000	1.970	1.970	1.970	0.00x	---
2/15/2027	585,000	5.000	2.100	2.309	2.298	0.00x	0.011
2/15/2028	3,040,000	5.000	2.180	2.551	2.577	0.00x	(0.026)
2/15/2029	2,000,000	4.000	2.480	2.769	2.769	0.15x	---
2/15/2029	4,560,000	5.000	2.260	2.758	2.769	---	(0.011)
2/15/2030	3,000,000	4.000	2.630	2.952	2.952	0.00x	---
2/15/2030	5,230,000	5.000	2.360	2.953	2.952	---	0.001
2/15/2031	5,070,000	4.000	2.760	3.099	3.099	0.00x	---
2/15/2032	5,510,000	4.000	2.880	3.224	3.224	1.18x	---
2/15/2033	6,000,000	4.000	2.950	3.304	3.304	1.00x	---
2/15/2034	4,055,000	4.000	3.010	3.369	3.369	1.74x	---





# Final Pricing Results – Comparable Bond Sales

- The following compares the District’s interest rates to the Allen ISD and Willis ISD sales on Thursday, February 25<sup>th</sup>. As shown, pricing on Tuesday, February 23<sup>rd</sup> proved to be a prudent decision as the District’s interest rates were lower than these comparable sales.

Final Pricing Comparison									
Issuer:	Northwest ISD			Allen ISD			Willis ISD		
Pricing Date:	Tuesday, February 23, 2016			Thursday, February 25, 2016			Thursday, February 25, 2016		
Par Amount:	\$49,510,000			\$146,530,000			\$71,090,000		
Maturity Dates:	February 15			February 15			February 15		
Call Date:	February 15, 2026			February 15, 2026			February 15, 2026		
Insurance:	Permanent School Fund Guarantee			Permanent School Fund Guarantee			Permanent School Fund Guarantee		
Enhanced Ratings:	Aaa / NAF / AAA			Aaa / AAA / NAF			Aaa / NAF / NAF		
Unenhanced Ratings:	Aa2 / NAF / AA			Aa2 / AA / NAF			Aa3 / NAF / NAF		
Maturity:	Par Amount	Coupon	Yield	Par Amount	Coupon	Yield	Par Amount	Coupon	Yield
2016	\$ 425,000	1.000%	0.30%	\$ 1,140,000	1.00%	0.26%	\$ -	---	---
2017	540,000	4.000%	0.50%	-	---	---	-	---	---
2018	560,000	4.000%	0.67%	3,190,000	2.00%	0.67%	-	---	---
2019	3,875,000	2.000%	0.82%	4,230,000	5.00%	0.86%	295,000	2.00%	0.88%
2020	2,000,000	2.000%	0.95%	6,885,000	5.00%	1.00%	305,000	2.00%	1.02%
2021	475,000	2.500%	1.07%	7,285,000	5.00%	1.13%	310,000	2.00%	1.15%
2022	485,000	2.500%	1.29%	6,550,000	5.00%	1.31%	315,000	2.00%	1.33%
2023	500,000	3.000%	1.49%	7,650,000	5.00%	1.50%	920,000	2.00%	1.53%
2024	515,000	3.000%	1.68%	8,065,000	5.00%	1.68%	925,000	2.00%	1.70%
2025	530,000	4.000%	1.84%	8,480,000	5.00%	1.84%	935,000	5.00%	1.87%
2026	555,000	5.000%	1.97%	7,615,000	5.00%	1.97%	1,860,000	5.00%	2.00%
2027	585,000	5.000%	2.10%	8,010,000	5.00%	2.10%	2,550,000	5.00%	2.13%
2028	3,040,000	5.000%	2.18%	8,320,000	N/C	N/C	2,685,000	5.00%	2.22%
2029	2,000,000	4.000%	2.48%	6,860,000	N/C	N/C	2,805,000	4.00%	2.56%
2029	4,560,000	5.000%	2.26%	-	---	---	-	---	---
2030	3,000,000	4.000%	2.63%	7,055,000	N/C	N/C	2,915,000	4.00%	2.72%
2030	5,230,000	5.000%	2.36%	-	---	---	-	---	---
2031	5,070,000	4.000%	2.76%	7,310,000	4.00%	2.78%	3,045,000	4.00%	2.83%
2032	5,510,000	4.000%	2.88%	7,650,000	N/C	N/C	3,150,000	N/C	N/C
2033	6,000,000	4.000%	2.95%	8,045,000	N/C	N/C	3,260,000	4.00%	2.98%
2034	4,055,000	4.000%	3.01%	8,410,000	4.00%	3.02%	2,895,000	4.00%	3.03%





# Overview of Financing Team Members – Series 2016 Refunding Bonds

## Overview of Financing Team Members – Series 2016 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>	Regions Bank
<b>Rating Agencies:</b>	Moody's Investors Service, Inc. Fitch Ratings, Inc.
<b>Underwriters:</b>	
■ Senior Manager:	BOSC, Inc.
■ Co-Manager:	Raymond James
■ Co-Manager:	RBC Capital Markets
<b>Underwriters' Counsel:</b>	Norton Rose Fulbright US LLP



# Collective Refunding Results

- Based upon the prudent actions of the District and its financial advisor, a collective savings of **\$62,814,725** has been produced by the District's recent refunding programs!

## Summary of District's Savings From Recent Refunding Programs

<b>Issue</b>	<b>Series Refunded</b>	<b>Par 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
<b>Totals</b>	---	<b>\$ 381,520,000</b>	<b>\$ 62,814,725</b>