



Teamwork | Pride | Excellence



Northwest

INDEPENDENT SCHOOL DISTRICT

Post-Pricing Information – Unlimited Tax Refunding Bonds, Series 2015A

Tuesday, August 4, 2015



Post-Pricing Summary – Series 2015A Bonds

- ❑ **Introduction:** This material provides a summary of the sale results for Northwest ISD’s \$121,823,475.45 Unlimited Tax Refunding Bonds, Series 2015A (the “Refunding Bonds”) issued to lower the interest rate on certain of the District’s existing bonds.
- **Summary of Refunding Program Results:**
 - ❖ Given the prevailing favorable municipal market conditions, on Thursday, July 30, 2015, the District prudently sold its Refunding Bonds at a True Interest Rate of 2.95% to refund a portion of the District’s existing bonds with an interest rate of 4.93%.
 - ❖ Based upon this interest rate differential and the prudent actions of the District and its financial advisor, **a direct savings of \$22,766,381 was achieved for the taxpayers of Northwest ISD!** To put in perspective, the District’s savings equaled the approximate cost of a new elementary school.
 - ❖ The closing of the transaction is scheduled for Thursday, August 27, 2015.
- **Overview of Municipal Market Conditions – Sale Date:**
 - ❖ Although there has been a lot of discussion in the municipal market regarding the timing of Federal Open Market Committee’s increase of the Federal Funds Rate, municipal interest rates were very favorable at the time of the District’s sale. This is documented by the “Bond Buyer 20-Bond Index”, which was 0.81% below the historical average and within 0.48% of an historical low at the time of sale. In addition, municipal interest rates had declined by approximately 0.15% over the preceding 6 weeks – Due primarily to concerns over the Greece debt crisis and China’s slowing economy.



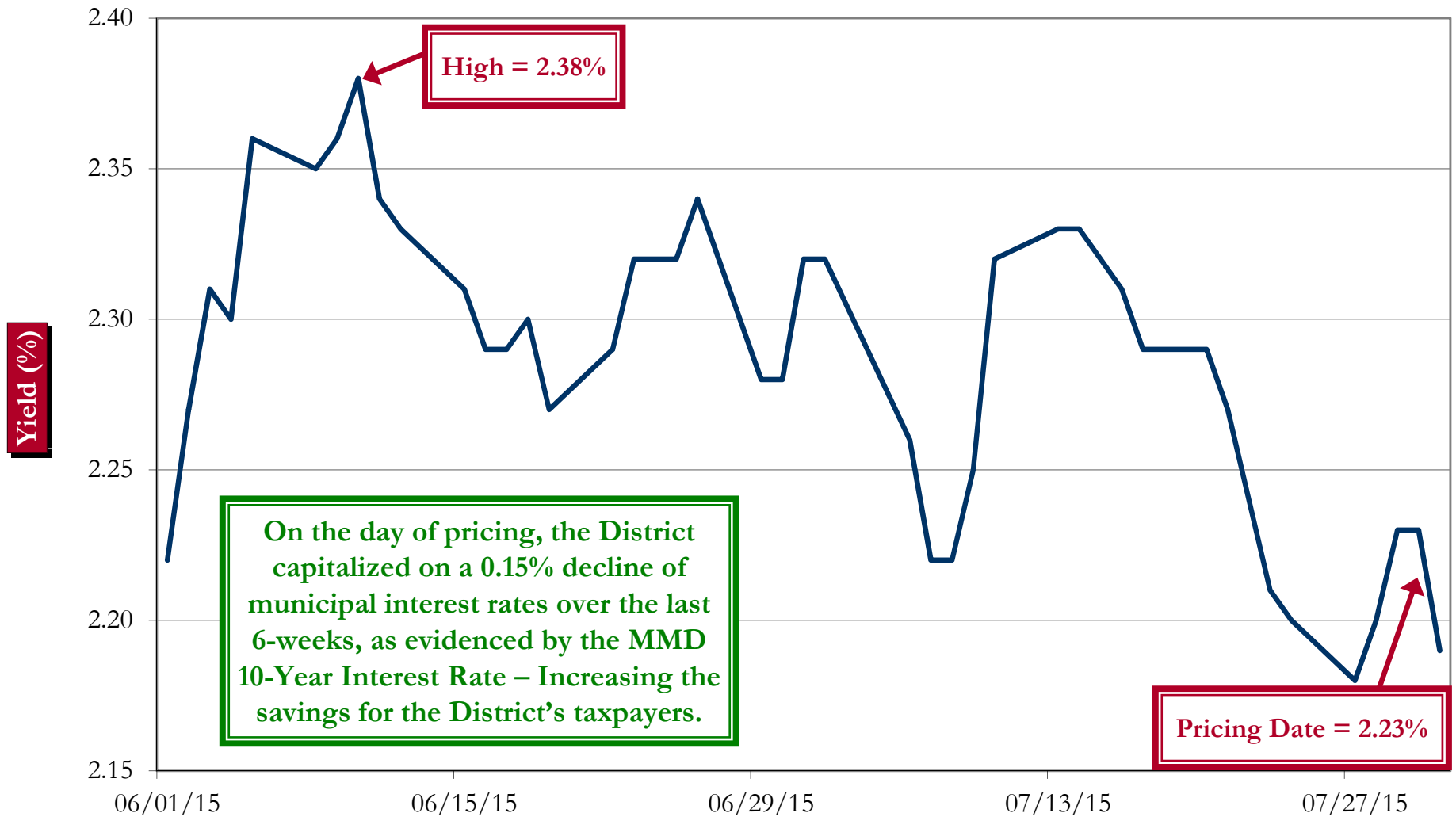
Northwest ISD Financing Team – Series 2015A Bonds

Financing Team – Series 2015A Bonds	
Financing Team Member	Individuals/Firms
Issuer:	Northwest ISD – Jon Graswich
Financial Advisor:	First Southwest Company
Underwriters:	BOSC, Inc. (Senior Manager) Raymond James (Co-Manager) RBC Capital Markets (Co-Manager)
Bond Counsel:	McCall, Parkhurst & Horton L.L.P.
Paying Agent/Escrow Agent:	Regions Bank
Verification Agent:	Grant Thornton LLP
Rating Agencies:	Moody’s Investors Service, Inc. Fitch Ratings, Inc.
Underwriters’ Counsel:	Norton Rose Fulbright US LLP



Current Market Review – Interest Rates

Municipal Market Data “AAA” 10-Year Maturity June 1, 2015 To The Present





Sources and Uses of Funds and Refunding Results

The Bonds – Summary of Sources and Uses of Funds	
Sources of Funds:	
Principal Amount Bonds	\$ 121,823,476
Reoffering Premium (To Meet “Par to Par” Test)	30,158,355
Total Sources of Funds	\$ 151,981,831
Uses of Funds:	
Escrow Cost – To Repay Refunded Bonds	\$ 150,837,933
Cost of Issuance	404,500
Underwriters’ Discount	735,793
Contingency	3,605
Total Uses of Funds	\$ 151,981,831

Summary of District’s Refunding Results	
Maturity Amount of Refunded Bonds	\$ 143,595,000
Interest Rate on Refunded Bonds	4.93%
“All-in” True Interest Rate – Refunding Bonds	2.95%
Total Savings – Net of Costs	22,766,381
Present Value Savings	16,775,234
Present Value Savings Percentage	11.68%



Summary of Savings

Refunding Program – Summary of Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Bond Payments – Refunded Bonds	Plus: Bond Payments – Refunding Bonds	Bond Payments – After Refunding Program	Savings ^(A) (Col. B – E)
2014/15	\$ 46,414,344	\$ ---	\$ (3,605)	\$ 46,410,739	\$ 3,605
2015/16	46,850,218	14,569,030	14,552,545	46,833,733	16,485
2016/17	49,488,861	15,477,255	14,139,445	48,151,051	1,337,810
2017/18	51,857,930	16,408,555	15,071,370	50,520,745	1,337,185
2018/19	53,581,299	17,667,443	16,327,020	52,240,876	1,340,423
2019/20	54,839,080	18,474,105	17,135,633	53,500,608	1,338,473
2020/21	56,404,999	18,830,811	17,493,276	55,067,464	1,337,535
2021/22	57,955,618	19,198,868	17,858,405	56,615,155	1,340,463
2022/23	58,447,043	19,320,493	17,982,434	57,108,984	1,338,059
2023/24	59,541,221	19,588,759	18,250,808	58,203,270	1,337,951
2024/25	60,217,756	19,723,338	18,385,788	58,880,206	1,337,550
2025/26	60,900,331	19,905,706	18,567,788	59,562,413	1,337,919
2026/27	61,746,500	19,691,213	18,354,413	60,409,700	1,336,800
2027/28	62,585,675	20,156,775	18,817,025	61,245,925	1,339,750
2028/29	59,252,156	20,223,056	18,886,806	57,915,906	1,336,250
2029/30	52,702,925	20,242,763	18,906,888	51,367,050	1,335,875
2030/31	51,481,213	20,376,350	19,038,225	50,143,088	1,338,125
2031/32	49,334,350	20,532,100	19,193,600	47,995,850	1,338,500
2032/33	37,600,650	15,610,900	14,273,275	36,263,025	1,337,625
2033/34	36,908,900	---	---	36,908,900	---
2034/35	35,460,525	---	---	35,460,525	---
2035/36	31,870,500	---	---	31,870,500	---
2036/37	28,741,250	---	---	28,741,250	---
2037/38	25,009,250	---	---	25,009,250	---
2038/39	21,207,250	---	---	21,207,250	---
Totals	\$ 1,210,399,843	\$ 335,997,518	\$ 313,231,136	\$ 1,187,633,461	\$ 22,766,381



Summary of Bonds Refunded

Summary of Bonds Refunded

Issue	Maturity Amount Refunded	Maturities Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax Refunding Bonds, Series 2005	\$ 54,475,000	08/15/2016 – 2032	5.00%	09/03/2015	100.0%
Unlimited Tax School Building and Refunding Bonds, Series 2008	43,265,000	02/15/2018 – 2033	4.85%	02/15/2018	100.0%
Unlimited Tax School Building Bonds, Series 2009	26,885,000	02/15/2020 – 2027	4.87%	02/15/2018	100.0%
Unlimited Tax School Building Bonds, Series 2010	18,970,000	02/15/2021 – 2028	5.00%	02/15/2018	100.0%
Totals	\$ 143,595,000	---	4.93%	---	---



Summary of Bond Underwriting Process

- ❑ At the end of the order period for the District's Bonds:
 - \$96,115,000 of investor orders had been generated and BOSC, Inc. generated \$95,365,000 of such orders.
 - \$72,640,000 of the Bonds remained unsold to investors at the original interest rates. To deliver a successful result, BOSC, Inc. made the decision to:
 - ❖ **Years 2016-2019:** The capital appreciation bonds necessary to meet the State's "Par to Par" test were very well received – Given the investor interest, the District's interest rates were lowered by 0.05% on the \$8,260,000 maturity amount of bonds in years 2017-2019.
 - ❖ **Years 2020-2027:** Of the \$81,855,000 of Bonds in these years, investor orders of \$39,260,000 were submitted (BOSC, Inc. submitted \$38,540,000 of such orders and RBC submitted \$750,000). Given the limited investor subscription and the McKinney ISD bond sale sold on the same date increasing rates by 0.02% in these years, the District's interest rates were also increased 0.02% in these years to potentially garner investor interest – The District's interest rates matched the McKinney ISD bond sale.
 - ❖ **Years 2028-2033:** On the \$33,885,000 of Bonds in these years, investor orders of \$6,840,000 were submitted by BOSC, Inc. and no other orders were submitted. This left \$30,130,000 of bonds remained unsold. **Although BOSC, Inc. did produce an order for the remaining unsold bonds with a 0.02% rate increase, BOSC, Inc. made the decision to commit to the original pricing levels for the Bonds in these years. To maintain the original pricing levels, approximately \$67,000 of underwriting fees were used to meet the interest rates demanded by investors.**



Summary of Orders for District's Bonds

- The following provides a summary of the bond orders submitted by the underwriting syndicate during the “order period” for the District’s Bonds.

Northwest ISD - Summary of Orders by Maturity - Series 2015A Bonds (End of Initial Order Period)

Maturity Date	Maturity Amount	BOSC, Inc.		Raymond James		RBC Capital Markets		Total Orders	Maturity Amount of Bonds Unsold to Investors - End of Order Period
		Priority Net Designated Orders	Member/Stock Orders	Priority Net Designated Orders	Member/Stock Orders	Priority Net Designated Orders	Member/Stock Orders		
2/15/2016	\$ 3,400,000	\$ 6,800,000	\$ --	\$ --	\$ 3,400,000	\$ --	\$ --	\$ 10,200,000	\$ --
2/15/2017	1,885,000	9,425,000	--	--	1,885,000	--	--	11,310,000	--
2/15/2018	2,895,000	17,870,000	--	--	2,895,000	--	--	20,765,000	--
2/15/2019	3,480,000	15,920,000	--	--	3,480,000	--	--	19,400,000	--
2/15/2020	6,365,000	--	--	--	6,365,000	--	5,000,000	11,365,000	6,365,000
2/15/2021	8,645,000	8,645,000	--	--	5,000,000	--	5,000,000	18,645,000	--
2/15/2022	9,450,000	1,610,000	--	--	5,000,000	--	5,000,000	11,610,000	7,840,000
2/15/2023	10,055,000	10,055,000	--	--	5,000,000	--	5,000,000	20,055,000	--
2/15/2024	10,840,000	2,000,000	--	--	--	--	5,000,000	7,000,000	8,840,000
2/15/2025	11,530,000	1,550,000	--	--	5,000,000	--	5,000,000	11,550,000	9,980,000
2/15/2026	12,280,000	4,650,000	--	--	5,000,000	750,000	5,000,000	15,400,000	6,880,000
2/15/2027	12,690,000	10,000,000	--	--	--	--	2,000,000	12,000,000	2,690,000
2/15/2028	9,815,000	5,000,000	--	--	--	--	--	5,000,000	4,815,000
2/15/2029	7,015,000	--	--	--	--	--	--	--	7,015,000
2/15/2030	6,030,000	450,000	--	--	--	--	--	450,000	5,580,000
2/15/2031	6,210,000	--	--	--	--	--	--	--	6,210,000
2/15/2032	6,425,000	--	--	--	--	--	--	--	6,425,000
2/15/2033	1,390,000	1,390,000	--	--	--	--	--	1,390,000	--
Totals	\$ 130,400,000	\$ 95,365,000	\$ -	\$ --	\$ 43,025,000	\$ 750,000	\$ 37,000,000	\$ 176,140,000	\$ 72,640,000



Final Pricing Results

Final Pricing Scale - Series 2015A Bonds

Issuer/State:	Northwest Independent School District, Texas				
Maturity Amount:	\$130,400,000.00				
Sale Date:	Thursday, July 30, 2015				
Settlement Date:	Thursday, August 27, 2015				
Optional Redemption Feature:	Bonds Are Callable February 15, 2025 @ Par				
Ratings:	Moody's: "Aaa / Aa2" Fitch: "AAA / AA"				
Maturity Date	Maturity Amount	Coupon	Yield	Maturity Amount of Bonds Unsold to Investors - End of Order Period	Yield Adjustments
2/15/2016	\$ 3,400,000	PCAB	0.300	\$ --	No Change
2/15/2017	1,885,000	PCAB	0.890	--	(0.050)
2/15/2018	2,895,000	PCAB	1.200	--	(0.050)
2/15/2019	3,480,000	PCAB	1.480	--	(0.050)
2/15/2020	6,365,000	5.000	1.420	6,365,000	0.020
2/15/2021	8,645,000	5.000	1.700	--	0.020
2/15/2022	9,450,000	5.000	1.990	7,840,000	0.020
2/15/2023	10,055,000	5.000	2.200	--	0.020
2/15/2024	10,840,000	5.000	2.360	8,840,000	0.020
2/15/2025	11,530,000	5.000	2.480	9,980,000	0.020
2/15/2026	12,280,000	5.000	2.620	6,880,000	0.020
2/15/2027	12,690,000	5.000	2.710	2,690,000	0.020
2/15/2028	9,815,000	5.000	2.780	4,815,000	No Change
2/15/2029	7,015,000	5.000	2.880	7,015,000	No Change
2/15/2030	6,030,000	5.000	2.950	5,580,000	No Change
2/15/2031	6,210,000	5.000	3.010	6,210,000	No Change
2/15/2032	6,425,000	5.000	3.060	6,425,000	No Change
2/15/2033	1,390,000	5.000	3.100	--	No Change