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Northwest

INDEPENDENT SCHOOL DISTRICT

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

Friday, October 16, 2015



Post-Pricing Summary – Series 2015B 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 2015B (the "Series 2015B Refunding Bonds") issued to lower the interest rate on the District's Unlimited Tax Refunding Bonds, Series 2006 (the "Series 2006 Bonds").

➤ **Summary of Refunding Program Results:**

- ❖ Given the prevailing favorable municipal market conditions, on Wednesday, October 14, 2015, the District successfully sold its Series 2015B Refunding Bonds to investors at a True Interest Rate of 2.11% to refund the District's existing Series 2006 Bonds with an interest rate of 4.45%.
- ❖ Based upon this interest rate differential, a direct savings of \$13,904,656 was achieved for the taxpayers of Northwest ISD!
- ❖ The closing of this transaction is scheduled for Thursday, November 19, 2015.

Summary of Savings – Final Results – Series 2015B Refunding Bonds	
Description	Final Results
Principal Amount of Series 2006 Bonds to be Refunded	\$ 93,055,000
Interest Rate on Existing Series 2006 Bonds to be Refunded	4.45%
True Interest Rate – Series 2015B Refunding Bonds	2.11%
Total Savings to the District (Net of Costs)	\$ 13,904,656
Present Value Savings as a Percentage of the Principal Amount of the Series 2006 Bonds to be Refunded	12.96%



Summary of Savings – Series 2015B Refunding Bonds

Series 2015B Refunding Bonds – Actual Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Bond Payments – Series 2006 Bonds to be Refunded	Plus: Bond Payments – Series 2015B Refunding Bonds	Bond Payments – After Refunding Program	Savings (Col. B – E)
2015/16	\$ 51,772,903	\$ 4,119,588	\$ 4,118,187	\$ 51,771,503	\$ 1,400
2016/17	53,161,451	10,260,269	9,101,850	52,003,033	1,158,419
2017/18	54,456,145	10,419,975	9,262,675	53,298,845	1,157,300
2018/19	56,145,526	10,561,956	9,401,275	54,984,845	1,160,681
2019/20	57,882,633	10,718,125	9,558,975	56,723,483	1,159,150
2020/21	58,426,364	10,887,738	9,728,175	57,266,801	1,159,563
2021/22	59,955,305	11,053,275	9,894,713	58,796,743	1,158,563
2022/23	60,424,134	11,277,375	10,118,375	59,265,134	1,159,000
2023/24	61,493,420	11,458,463	10,301,375	60,336,333	1,157,088
2024/25	62,145,356	11,654,444	10,492,875	60,983,788	1,161,569
2025/26	62,805,063	10,687,500	9,530,625	61,648,188	1,156,875
2026/27	63,641,275	4,364,013	3,206,500	62,483,763	1,157,513
2027/28	64,475,863	4,483,663	3,326,125	63,318,325	1,157,538
2028/29	61,145,256	---	---	61,145,256	---
2029/30	54,592,588	---	---	54,592,588	---
2030/31	53,354,838	---	---	53,354,838	---
2031/32	51,187,600	---	---	51,187,600	---
2032/33	39,434,775	---	---	39,434,775	---
2033/34	40,060,650	---	---	40,060,650	---
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	---
Totals	\$ 1,282,437,293	\$ 121,946,381	\$ 108,041,725	\$ 1,268,532,637	\$ 13,904,656



Collective Refunding Results – Year 2015

- Based upon the prudent actions of the District and its financial advisor, a collective savings of **\$52,066,612** has been produced by the District's refunding programs in calendar year 2015!

Summary of Savings – Year 2015 Refunding Programs

Description	Series 2015 Refunding Bonds	Series 2015A Refunding Bonds	Series 2015B Refunding Bonds	Total Results
Principal Amount of Bonds to be Refunded	\$ 93,310,000	\$ 143,595,000	\$ 93,055,000	\$ 329,960,000
Total Savings to the District (Net of Costs)	\$ 15,395,575	\$ 22,766,381	\$ 13,904,656	\$ 52,066,612
Present Value Savings as a Percentage of the Principal Amount of the Bonds to be Refunded	12.62%	11.68%	12.96%	12.31%



Sources and Uses of Funds – Series 2015B Refunding Bonds

Sources and Uses of Funds – Series 2015B Refunding Bonds

Sources of Funds:

Principal Amount of Bond Sale	\$ 82,115,000.00
Original Premium on Bond Sale	<u>13,723,356.35</u>
Total Sources of Funds	<u>\$ 95,838,356.35</u>

Uses of Funds:

Current Refunding Escrow Cost – To Repay Series 2006 Bonds	\$ 95,114,793.75
Estimated Costs of Issuance	285,000.00
Underwriters' Discount – Distribution of Bonds to Investors	434,812.63
Rounding Amount/Contingency	<u>3,749.97</u>
Total Uses of Funds	<u>\$ 95,838,356.35</u>

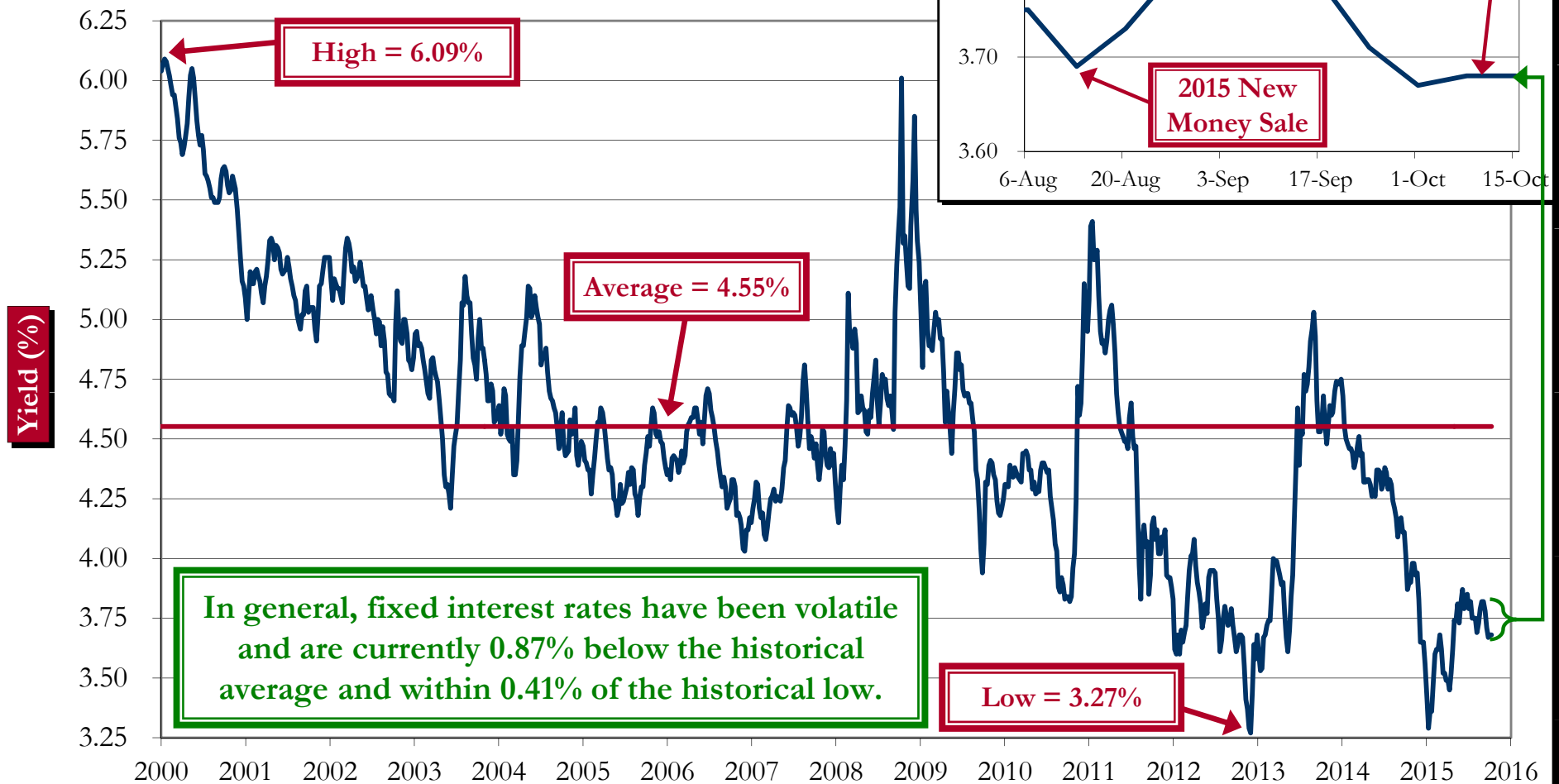
Summary of Series 2006 Bonds to be Refunded

Issue Outstanding	Principal Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax Refunding Bonds, Series 2006	\$ 93,055,000	02/15/2017 – 2028	4.45%	02/15/2016	100.0%



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 2015B Refunding Bonds

- ❑ With the District’s high bond ratings and presence in the municipal market, Northwest ISD garnered significant investor interest for its Series 2015B Refunding Bonds.
- ❑ During the “order period”, \$287,815,000 of investor orders were submitted and BOSC, Inc. generated \$276,740,000 (96.2%) of such orders.
- ❑ As a result of the investor demand for the District’s Series 2015B Refunding Bonds, as Senior Manager BOSC, Inc. was able to lower the District’s interest rates by 0.02% - 0.04% after the “order period” to further increase the District’s savings.
- ❑ In particular, although Richardson ISD has a “Aaa” bond rating, the District’s interest rates matched such sale in years 2024 and 2025.

Issuer:	Northwest ISD			Richardson ISD		
Par Amount:	\$82,115,000			\$38,660,000		
Underlying Ratings:	Aa2 / NAF / AA			Aaa / AA+ / NAF		
Maturity:	Par Amount	Coupon	Yield	Par Amount	Coupon	Yield
2024	\$ 8,845,000	5.00%	2.06%	\$ 2,640,000	5.00%	2.06%
2025	9,495,000	5.00%	2.18%	2,865,000	5.00%	2.18%

- ❑ The District’s Series 2015B Refunding Bonds were sold to a diverse investor base of 20 institutional investors within the capital markets. Such investors included:
 - State Farm Insurance Companies
 - Goldman Sachs Asset Management
 - AllianceBernstein
 - J.P. Morgan Asset Management
 - Eaton Vance - TABS
 - Appleton Partners, Inc.
 - Columbia Asset Management
 - Susquehanna International Group
 - C.W. Henderson & Associates, Inc.
 - Nuveen Asset Management



Summary of Orders – Series 2015B Refunding Bonds

- The following provides a summary of the bond orders submitted by the underwriting syndicate during the “order period” for the District’s Series 2015B Refunding Bonds.

Northwest ISD - Summary of Orders by Maturity - Series 2015B Refunding Bonds									
Maturity Date	Principal Amount	BOSC, Inc.		Raymond James		RBC Capital Markets		Total Priority Orders	Total Orders
		Priority Net Designated Investor Orders	Member / Stock Orders	Priority Net Designated Investor Orders	Member / Stock Orders	Priority Net Designated Investor Orders	Member / Stock Orders		
2/15/2016	\$ 1,380,000	\$ -	\$ 4,140,000	\$ -	\$ 1,380,000	\$ -	\$ 1,380,000	\$ -	\$ 6,900,000
2/15/2017	5,485,000	10,970,000	-	-	3,000,000	-	2,000,000	10,970,000	15,970,000
2/15/2018	5,845,000	745,000	-	-	3,000,000	-	2,000,000	745,000	5,745,000
2/15/2019	6,225,000	6,375,000	-	-	3,000,000	-	2,000,000	6,375,000	11,375,000
2/15/2020	6,640,000	13,440,000	-	-	5,000,000	-	2,000,000	13,440,000	20,440,000
2/15/2021	7,120,000	29,455,000	-	-	3,000,000	-	-	29,455,000	32,455,000
2/15/2022	6,215,000	26,280,000	-	-	5,000,000	-	-	26,280,000	31,280,000
2/15/2022	1,420,000	2,840,000	-	75,000	-	-	-	2,915,000	2,915,000
2/15/2023	8,235,000	28,570,000	-	1,000,000	-	-	4,000,000	29,570,000	33,570,000
2/15/2024	8,845,000	30,535,000	-	5,000,000	2,500,000	-	4,000,000	35,535,000	42,035,000
2/15/2025	9,495,000	47,475,000	-	5,000,000	2,500,000	-	4,000,000	52,475,000	58,975,000
2/15/2026	8,995,000	45,010,000	-	-	2,500,000	-	4,000,000	45,010,000	51,510,000
2/15/2027	2,970,000	15,880,000	-	-	-	-	2,000,000	15,880,000	17,880,000
2/15/2028	3,245,000	19,165,000	-	-	-	-	2,000,000	19,165,000	21,165,000
Totals	\$ 82,115,000	\$276,740,000	\$ 4,140,000	\$ 11,075,000	\$ 30,880,000	\$ -	\$ 29,380,000	\$287,815,000	\$352,215,000



Final Pricing Results – Series 2015B Refunding Bonds

Final Pricing Scale - Series 2015B Refunding Bonds

Issuer/State:	Northwest Independent School District, Texas
Principal Amount:	\$82,115,000
Sale Date:	Wednesday, October 14, 2015
Settlement Date:	Thursday, November 19, 2015
Optional Redemption Feature:	Bonds Are Callable February 15, 2025 @ Par
Ratings:	Moody's: "Aaa" / "Aa2" Fitch: "AAA" / "AA"

Based upon the investor demand for the Series 2015B Refunding Bonds, interest rates were lowered by 0.04% in most maturities.

Maturity Date	Principal Amount	Coupon	Final Yield	Preliminary Marketing Yield	Priority Order Book - After Initial Order Period	Yield Adjustments
2/15/2016	\$1,380,000	1.500	0.150	Sealed Bid	Sealed Bid	Sealed Bid
2/15/2017	5,485,000	3.000	0.470	0.470	2.00x	---
2/15/2018	5,845,000	4.000	0.740	0.740	0.13x	---
2/15/2019	6,225,000	4.000	0.980	0.980	1.02x	---
2/15/2020	6,640,000	4.000	1.190	1.210	2.02x	(0.02)
2/15/2021	7,120,000	5.000	1.400	1.440	4.14x	(0.04)
2/15/2022	6,215,000	5.000	1.650	1.690	4.23x	(0.04)
2/15/2022	1,420,000	2.125	1.650	1.690	2.05x	(0.04)
2/15/2023	8,235,000	5.000	1.880	1.920	3.59x	(0.04)
2/15/2024	8,845,000	5.000	2.060	2.100	4.02x	(0.04)
2/15/2025	9,495,000	5.000	2.180	2.220	5.53x	(0.04)
2/15/2026	8,995,000	5.000	2.310	2.350	5.00x	(0.04)
2/15/2027	2,970,000	5.000	2.440	2.480	5.35x	(0.04)
2/15/2028	3,245,000	5.000	2.550	2.590	5.91x	(0.04)



Overview of Financing Team Members – Series 2015B Refunding Bonds

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Issuer:	Northwest Independent School District
Financial Advisor:	First Southwest Company, LLC
Bond Counsel:	McCall, Parkhurst & Horton L.L.P.
Paying Agent:	Regions Bank
Rating Agencies:	Moody’s Investors Service, Inc. Fitch Ratings, Inc.
Underwriters:	
■ Senior Manager:	BOSC, Inc.
■ Co-Manager:	Raymond James
■ Co-Manager:	RBC Capital Markets
Underwriters’ Counsel:	Norton Rose Fulbright US LLP