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Taxable Series 2022 Parameter Refunding Bond Issuance Information

February 14, 2022

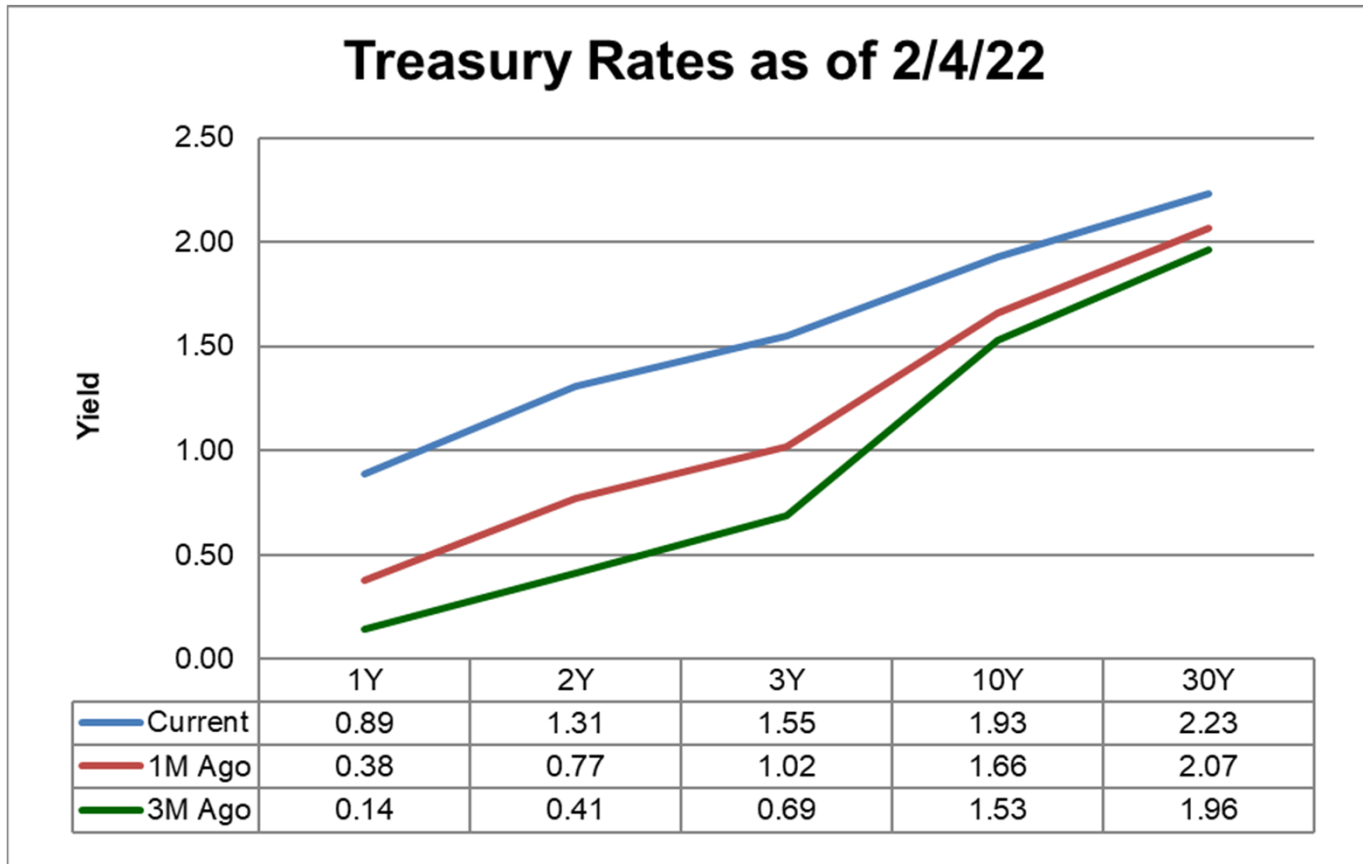
Northwest Independent School District

Presentation Topics



- Recent US Treasury History
- Potential Taxable Refunding Scenario
- Potential Taxable Refunding Candidates
- Parameter Refunding Bond Order
- Proposed Parameters
- NISD 10 Year Refunding/Redemption History

Recent US Treasury Rate History



Long term (10Y & 30Y) US Treasury Rates are up from three months ago, however short term (1Y, 2Y & 3Y) rates are up much more which allows for our refunding escrow account to earn more thereby enhancing potential savings.

Potential Taxable Refunding Results – 2/4/22 PSF AAA Txbl Rates



ASSUMPTIONS

Dated / Delivery Date:	4/1/2022
First Payment:	8/15/2022
Average Interest Rate on Refunded Bonds:	4.72%
Potential True Interest Cost (TIC) on Txbl Refunding Bonds:	2.94%

POTENTIAL REFUNDING RESULTS

Potential Gross Debt Service Savings:	\$ 37,911,562
Potential Present Value Debt Service Savings:	\$ 20,312,582
Potential PV Savings as a % of Refunded Principal:	7.02%

POTENTIAL DEBT SERVICE SAVINGS - 2/4/22 PSF 'AAA' Taxable Interest Rates

Year Ending 31-Aug	Refunded Debt Service			Series 2022 Taxable Refunding Debt Service			Potential Savings
	Principal	Interest	Total	Principal	Interest	Total	
2022	\$ -	\$ 6,755,938	\$ 6,755,938	\$ 757,418	\$ 5,994,652	\$ 6,752,069	\$ 3,868
2023	-	13,511,875	13,511,875	1,112,500	22,945,298	24,057,798	(10,545,923)
2024	1,235,000	13,487,175	14,722,175	15,000,000	11,182,798	26,182,798	(11,460,623)
2025	1,785,000	13,426,775	15,211,775	1,590,000	10,768,048	12,358,048	2,853,728
2026	29,155,000	12,670,975	41,825,975	28,970,000	10,004,048	38,974,048	2,851,928
2027	29,585,000	11,231,375	40,816,375	29,420,000	8,544,298	37,964,298	2,852,078
2028	11,945,000	10,224,125	22,169,125	11,805,000	7,513,673	19,318,673	2,850,453
2029	11,235,000	9,670,750	20,905,750	11,110,000	6,940,798	18,050,798	2,854,953
2030	13,135,000	9,100,375	22,235,375	13,045,000	6,336,923	19,381,923	2,853,453
2031	14,865,000	8,458,563	23,323,563	14,830,000	5,640,048	20,470,048	2,853,515
2032	13,845,000	7,844,600	21,689,600	13,915,000	4,921,423	18,836,423	2,853,178
2033	17,470,000	7,218,300	24,688,300	17,490,000	4,344,429	21,834,429	2,853,872
2034	15,985,000	6,549,200	22,534,200	15,780,000	3,900,702	19,680,702	2,853,499
2035	9,760,000	6,034,300	15,794,300	9,390,000	3,553,695	12,943,695	2,850,606
2036	6,765,000	5,701,300	12,466,300	6,285,000	3,327,963	9,612,963	2,853,337
2037	2,000,000	5,521,000	7,521,000	1,455,000	3,211,933	4,666,933	2,854,067
2038	5,100,000	5,374,000	10,474,000	4,505,000	3,117,831	7,622,831	2,851,169
2039	9,585,000	5,029,875	14,614,875	8,860,000	2,903,781	11,763,781	2,851,095
2040	21,580,000	4,250,750	25,830,750	20,550,000	2,426,170	22,976,170	2,854,581
2041	22,935,000	3,137,875	26,072,875	21,480,000	1,737,859	23,217,859	2,855,017
2042	24,360,000	1,955,500	26,315,500	22,445,000	1,015,292	23,460,292	2,855,208
2043	8,315,000	1,138,625	9,453,625	6,055,000	545,559	6,600,559	2,853,066
2044	8,965,000	706,625	9,671,625	6,480,000	337,478	6,817,478	2,854,147
2045	9,650,000	241,250	9,891,250	6,925,000	114,955	7,039,955	2,851,295
Totals	\$ 289,255,000	\$ 169,241,125	\$ 458,496,125	\$ 289,254,918	\$ 131,329,646	\$ 420,584,563	\$ 37,911,562

Potential Taxable Refunding Candidates



Bonds to be Refunded				
	Principal <u>Refunded</u>	Maturities <u>Refunded</u>	Refunded Bonds <u>Interest Rate</u>	Refunded Bonds <u>Call Date</u>
U/L Tax School Building Bonds, Series 2014	\$ 5,340,000	2025 - 2031	3.125%-5.00%	2/15/2024
U/L Tax School Building Bonds, Series 2015	\$ 57,435,000	2026 - 2045	4.00%-5.00%	2/15/2025
U/L Tax Refunding Bonds, Series 2015	\$ 11,755,000	2026 - 2027	5.00%	2/15/2025
U/L Tax Refunding Bonds, Series 2015A	\$ 24,970,000	2026 - 2027	5.00%	2/15/2025
U/L Tax Refunding Bonds, Series 2015B	\$ 15,210,000	2026 - 2028	5.00%	2/15/2025
U/L Tax Refunding Bonds, Series 2016	\$ 39,050,000	2027 - 2034	4.00%-5.00%	2/15/2026
U/L Tax Refunding Bonds, Series 2016A	\$ 56,500,000	2027 - 2035	4.00%-5.00%	2/15/2026
U/L School Building Bonds, Series 2017	\$ 72,720,000	2027 - 2042	4.00%-5.00%	2/15/2026
U/L School Building Bonds, Series 2018	\$ 6,275,000	2024 - 2028	4.00%	2/15/2023

NORTHWEST INDEPENDENT SCHOOL DISTRICT



Parameter Refunding Bond Order

- ❑ Allowed under Sections 1207 & 1371 of Texas Government Code
- ❑ Board delegates final pricing authority to Board selected Pricing Officers
- ❑ Board establishes and approves bond sale parameters within Parameter Refunding Order:
 - Maximum Principal Amount – WILL NOT Exceed Amount of Bonds Refunded
 - **Minimum Savings Threshold** – Present Value Savings %
 - Maximum Interest Rate – True Interest Cost Rate
 - Final Maturity Date – WILL NOT Extend Original Term
 - Expiration of Delegated Authority
- ❑ **Pricing Officers can only approve sale if Board parameters are met**



Flexibility & Market Timing – Bond issue is in ‘Day-to-Day’ mode meaning that refunding bonds can be priced at any time and in an interest rate environment that is hopefully the most advantageous to NISD rather than being locked into pricing on the date of a Board meeting.

NOTE: NISD has utilized Parameter Authority on all new money and refunding bonds issued over the last 16+ years



Proposed Parameters Included in Bond Order

- Delegated Pricing Officers: **Superintendent or Executive Director of Financial Services**
- Maximum Principal Amount : **\$289,255,000** *(Refunding issue could be downsized depending on prevailing interest rates if/when priced.)*
- Minimum Savings: **7.00% Present Value**
- Maximum True Interest Cost: **3.50%**
- Final Maturity Date: **2/15/45** *(Term will not be extended)*
- Expiration of Parameter Authority: **365 Days**

Delegated Pricing Officers can only approve transaction if these parameters are met



Bond Refundings / Redemptions Recap (2012 – 2021)

Principal Amount	Refunding Bond Series	Debt Service Savings
\$ 56,140,000	Series 2012	\$ 6,432,070
\$ 44,180,000	Series 2013A	\$ 3,883,135
\$ 83,565,000	Series 2015	\$ 15,395,575
\$ 121,823,475	Series 2015A	\$ 22,766,381
\$ 82,115,000	Series 2015B	\$ 13,904,656
\$ 49,510,000	Series 2016	\$ 10,748,113
\$ 64,870,000	Series 2016A	\$ 8,120,718
\$ 30,290,000	Series 2017	\$ 4,596,975
\$ 96,759,995	Txbl Series 2019	\$ 17,306,582
\$ 176,429,961	Txbl Series 2020A	\$ 24,501,754
	TOTAL SAVINGS	<u>\$ 127,655,959</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT