The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 20112

DISTRIBUTION LIST

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(West Virginia)
Public School Refunding Bonds, Series 2012

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The closing on the issuance of $4,075,000 in aggregate principal amount of The Board of Education of the County of Brooke, Public School Refunding Bonds, Series 2012, will take place at the offices of Goodwin & Goodwin, LLP, 300 Summers Street, Suite 1500, Charleston, West Virginia, at 10:00 a.m., Eastern Time, on November 5, 2012. No transaction shall be deemed to have been completed and no documents shall be deemed to have been delivered unless and until all transactions are complete and all documents are delivered. Any document that references an Exhibit or Schedule to be attached thereto shall be considered completed and attached if the referenced Exhibit or Schedule appears elsewhere in this Transcript.

RESOLUTION AND ORDER

A RESOLUTION AND ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (WEST VIRGINIA), PROVIDING FOR AND AUTHORIZING THE CURRENT REFUNDING OF THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, PUBLIC SCHOOL BONDS, SERIES 2001, OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF $5,170,000, AND THE ISSUANCE FOR SUCH PURPOSE OF NOT MORE THAN $5,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012; AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE TERMS OF SUCH BONDS; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, A PAYING AGENT AND AN ESCROW AGENT; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF THE BONDS AND FUNDS ON DEPOSIT WITH THE WEST VIRGINIA MUNICIPAL BOND COMMISSION; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, by a Resolution and Order Directing Issuance of Bonds adopted and entered on January 8, 2001 (the "Prior Resolution"), and pursuant to an election held November 7, 2000, the Board of Education of the County of Brooke, West Virginia (the "Board"), authorized and directed the issuance of $15,000,000 in aggregate principal amount of The Board of Education of the County of Brooke Public School Bonds, Series 2001, dated July 1, 2001, currently outstanding in the aggregate principal amount of $5,170,000 (the "Prior Bonds");

WHEREAS, Chapter 13, Article 2, of the Code of West Virginia, 1931, as amended (the "Refunding Act"), authorizes, in the manner and subject to the limitations and conditions contained in the Refunding Act, the issuance and sale of refunding bonds by the Board to provide for the payment of the Prior Bonds in advance

of the maturity thereof through the deposit with the West Virginia Municipal Bond Commission (the "Commission") of moneys or specified governmental obligations sufficient to pay, when and as due, all principal of and interest on the Prior Bonds, including the redemption price thereof;

WHEREAS, it has been proposed that the Brooke County School District (the "School District") refund the Prior Bonds (the "Refunding") pursuant to the Refunding Act, through the issuance of not more than $5,500,000 in aggregate principal amount of The Board of Education of the County of Brooke, Public School Refunding Bonds, Series 2012 (the "Refunding Bonds"), as in this Resolution and Order (the "Resolution") provided;

WHEREAS, the Board has on deposit with the Commission, as of the date hereof, approximately $619,000 in the Debt Service Account and approximately $801,565 in the Surplus Collections Account from taxes levied and collected with respect to the Prior Bonds, which amounts are subject to increase prior to the Closing on the Refunding Bonds (the "Surplus Funds"). The Board will use such amounts on deposit with the Commission as shall be determined in consultation with the Underwriter, as hereinafter defined, and with the consent of the Commission, together with proceeds of the Refunding Bonds, for some or all of the following purposes: (i) accomplishing the Refunding of the Prior Bonds, (ii) leaving a portion of such funds on deposit in connection with the Refunding Bonds, and/or (iii) for application to projects authorized in connection with the Prior Bonds;

WHEREAS, Piper Jaffray & Co. (the "Underwriter") will present to the Board a Bond Purchase Agreement (the "Bond Purchase Agreement") relating to the purchase of the entirety of the Refunding Bonds by the Underwriter;

WHEREAS, after review and due consideration of the Bond Purchase Agreement, the Board has determined that it is in the best interests of the School District and the citizens and residents thereof that the refunding be accomplished and that the Refunding Bonds be sold to the Underwriter pursuant to the Bond Purchase Agreement;

WHEREAS, it is in the best interests of the citizens and residents of the School District that the Surplus Funds be withdrawn from the Commission, concurrently and in connection with the Refunding, subject to the limitations set forth in Section 16 hereof; and

WHEREAS, the Refunding, the issuance of the Refunding Bonds under the specific terms and conditions provided herein, the defeasance of the Prior Bonds, the withdrawal of the Surplus Funds from the Commission and the use thereof as hereinafter provided are all in the best interests of the residents of the School District and the administration and operation of the School District.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, AS FOLLOWS:

1. There is hereby authorized and directed the Refunding of the Prior Bonds, as hereinafter provided, which Prior Bonds mature serially on May 1 of such years, in such principal amounts, bear interest at such rates, payable semiannually on May 1 and November 1 of each year, and require such debt service, all as set forth in **EXHIBIT A - PRIOR BONDS TERMS**, attached hereto and incorporated herein by reference.

2. For the purpose of providing for the Refunding, the Board, acting for and on behalf of the School District, hereby authorizes and orders the issuance of the Refunding Bonds in the aggregate principal amount of not more than $5,500,000. The Refunding Bonds shall be designated "The Board of Education of the County of Brooke Public School Refunding Bonds, Series 2012."

3. The Refunding Bonds shall be dated the day of issuance, upon original issuance, shall initially be represented by twelve serial Bonds numbered R-1 through R-3, shall bear interest at the rates per annum, payable semiannually on May 1 and November 1 of each year, commencing May 1, 2013, shall have principal installments payable on May 1 of each year, commencing May 1, 2013, and shall finally mature no later than May 1, 2016, all as set forth in **EXHIBIT B - REFUNDING BONDS TERMS**, attached hereto and incorporated herein by reference.

Said principal amounts, maturity dates and interest rates on the Refunding Bonds do not increase the total indebtedness authorized by the voters of the School District with respect to the Prior Bonds. The amount of debt service payable on the Refunding Bonds in each year is equal to or less than the amount of taxes expected to be available therefor, and such facts shall be certified by the Executive Director of the West Virginia Municipal Bond Commission (the "Commission") as a condition to issuance and delivery of the Refunding Bonds.

4. The Refunding Bonds shall not be subject to prepayment or redemption prior to their maturity.

5. The Refunding Bonds shall be issued in fully registered form without coupons, in the denominations of $5,000 or integral multiples thereof for any year of maturity, shall be numbered from R-1 consecutively upward in order of maturity and shall be substantially in the form set forth in **EXHIBIT C - BOND FORM**, with such variations as are approved by those officers executing such Refunding Bonds on behalf of the Board, such execution by such officers to constitute conclusive evidence of such approval. The Refunding Bonds shall be signed by and on behalf of the Board by its President and be countersigned by its Secretary, which signatures may be either manual or facsimile signatures, and the seal of the Board or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Refunding Bonds shall be manually signed by the Registrar.

6. The Refunding Bonds shall be registered upon issuance to CEDE & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). In the event the Issuer determines that it is in the best interest of the beneficial owners of the Refunding Bonds that they obtain Bond certificates, the Issuer may notify DTC and the Registrar, whereupon DTC will notify its participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall cause to be issued, transferred and exchanged Bond certificates as requested by DTC as Bondholder in appropriate amounts. DTC may determine to discontinue providing its service with respect to the Refunding Bonds at any time by giving notice to the Issuer or the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Issuer and the Registrar shall be obligated to deliver Bond certificates as described in a resolution supplemental hereto. In the event the Bond certificates are issued, the provisions of this Resolution and Order shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such Bond certificates. Whenever DTC requests the Issuer and the Registrar to do so, the Registrar and the Issuer will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Refunding Bonds to any participant having the Refunding Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds. The President or the Secretary of the Issuer are hereby authorized and directed to execute and deliver to DTC a Letter of Representations in substantially the form presented to this meeting and the Issuer is authorized to comply with all requirements of DTC.

7. The West Virginia Municipal Bond Commission, Charleston, West Virginia, is hereby appointed paying agent for the Refunding Bonds (the "Paying Agent"), and WesBanco Bank, Inc., Wheeling, West Virginia, is hereby appointed Registrar for the Refunding Bonds (the "Registrar"). The Paying Agent and Registrar shall signify their acceptance of the duties and obligations imposed upon them by executing and delivering to the Board a written acceptance thereof. The Paying Agent and Registrar shall be entitled to payment and reimbursement for reasonable fees for their services rendered and all advances, counsel fees and other expenses reasonably and necessarily incurred by the Paying Agent and Registrar in connection with such services. Notwithstanding the foregoing, the expense of transfer of registration or exchange of the Refunding Bonds shall be paid by the registered owner of any Refunding Bond.

8. The Refunding Bonds shall be transferable only upon the books kept for that purpose by the Registrar (the "Bond Register") by an authorized representative of the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by an authorized representative of the registered owner or his duly authorized attorney. The Refunding Bonds may also be exchanged at the option

and expense of the registered owner thereof at the office of the Registrar. Upon exchange or transfer of any Refunding Bond, there shall be issued, at the option of the registered owner or the transferee, another fully registered Refunding Bond or Bonds, in such authorized denomination or denominations as may be requested, of the aggregate principal amount equal to the amount of the exchanged or transferred Refunding Bond.

9. The principal of and interest on any Refunding Bond shall be payable in installments to the registered owner thereof by check or draft mailed or, at the option of the Registrar, by wire transfer by the Paying Agent, to the registered owner of such Refunding Bond at its address as it appears on the Bond Register as of the close of business on the 15th day of the month (regardless of whether such 15th day is a Saturday, Sunday or legal holiday) preceding any interest payment date (each April 15 and October 15, herein called a "Record Date").

10. The Refunding Bonds shall be sold to the Underwriter. The Bond Purchase Agreement, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the President of the Bond Purchase Agreement on behalf of the Board are hereby authorized, ratified, approved and directed. The President shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the President. Execution of the Bond Purchase Agreement by the President shall be conclusive evidence of any approval required by this Section. The price of the Refunding Bonds will be set forth in the Bond Purchase Agreement. The Refunding Bonds will be delivered on the date set forth in the Bond Purchase Agreement (the "Closing Date").

11. The Continuing Disclosure Agreement of the Board to be dated the Closing Date, substantially in the form submitted to this meeting, and the execution and delivery (in multiply counterparts) by the President and/or Secretary thereof shall be and the same are hereby authorized, approved and directed. The President and/or Secretary shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the President and/or Secretary. Execution of the Continuing Disclosure Agreement by the President and/or Secretary shall be conclusive evidence of any approval required by this Section.

12. The Official Statement dated the date of adoption of this Resolution and Order, or the date of a Supplemental Resolution, to be substantially in the form of the Preliminary Official Statement described below (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the President and the Secretary), and the distribution of counterparts or copies thereof by the Underwriter are hereby approved. The President and the Secretary shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the President and the Secretary. The execution of the Official Statement by the President and the Secretary shall be conclusive evidence of any approval required by this Section. The distribution by the Underwriter of the Preliminary Official Statement to be dated on its date of publication, posting and distribution (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to

this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the President is hereby ratified and approved.

13. The firm of Goodwin & Goodwin, LLP, Charleston, West Virginia, is hereby engaged for the purpose of serving as bond counsel to the Board with respect to the Refunding Bonds.

14. The Board finds and determines that the amount of the Refunding Bonds, together with all other bonded indebtedness of the Board (excluding the Prior Bonds), does not exceed in the aggregate five percent (5%) of the value of the taxable property in the Brooke County School District, as shown by the last assessment thereof and ascertained in accordance with Section 8, Article X of the Constitution of West Virginia; that the Refunding Bonds shall be payable from a direct annual tax levied and collected on all taxable property in the Brooke County School District in the ratio as between the several classes or types of such taxable property specified in Section 1, Article X of the Constitution, sufficient to pay annually the principal of and the interest on the Refunding Bonds falling due in each year, such tax levies to be laid separate and apart from, and in addition to, the maximum rates provided for tax levies by school districts on the several classes of property in Section 1, Article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property, such taxes to be levied and collected by the same officers, at the same time and in the same manner as the general taxes of the Board; and that there is no outstanding indebtedness of the Board created prior to October 1, 1938. In laying such levy sufficient to pay the principal of and interest on the Refunding Bonds, the Board shall allow for exonerations and delinquencies, considering the levy amount rendered to it by the Commission.

15. The action of the Board Secretary in notifying the Executive Director of the Commission of the intention to accomplish the proposed Refunding and requesting the withdrawal of the Surplus Funds in the approximate amounts of $619,000 and $801,565.27 is herewith ratified. The delivery of such letter to the Commission and the withdrawal of the Surplus Funds are hereby in all respects authorized, approved and directed. The Board further authorizes the President and the Secretary, upon consultation with the Underwriter and with the consent of the Commission, to authorize the actual amounts to be transferred to the Commission to assist in completing the Refunding and/or for use in projects authorized by the Prior Bonds.

16. The Surplus Funds in the amounts as may be determined to be used in furtherance of the refunding herein authorized shall be applied to redeeming Prior Bonds and thus reduce the amount required from the Refunding Funds herein authorized. Upon defeasance of the Prior Bonds, Surplus Funds and proceeds of the Refunding Bonds shall be deposited with the Commission and used (i) to leave a portion of such funds on deposit in connection with the Refunding Bonds, and/or (ii) for application to Projects authorized in connection with the Prior Bonds.

17. The Board hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Refunding Bonds or any other funds of the Board to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Refunding Bonds or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The President of the Board is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Board's compliance with this covenant, including, but not limited to a Tax and Arbitrage Certificate or similar certificate or agreement.

18. The Board will notify the Executive Director of the Commission of its intention to accomplish the proposed Refunding. A copy of such letter has been presented to this meeting. The execution and delivery of such letter to the Commission is hereby in all respects ratified, authorized, approved and directed.

19. The Board hereby designates the Refunding Bonds as "qualified tax-exempt obligations" for purposes of paragraph (3) of Section 265(b) of the Code and covenants that the Refunding Bonds do not constitute private activity bonds as defined in Section 141 of the Code and as determined in accordance with Section 265(b)(3) of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Refunding Bonds, have been or shall be issued by the Issuer or the Board, during the calendar year 2012, all as determined in accordance with the Code. For purposes of this paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Board and all entities which issue obligations on behalf of the Board shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefiting thereby shall be treated as one issuer. None of the Refunding Bonds are part of a direct or indirect composite issue.

20. The President, the Superintendent/Secretary and all other officers of the Board are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Refunding, hereby and by the Resolution and Order approved and provided for, including, a Depository Trust Company Letter of Representations and any forms or documents necessary to qualify the Refunding Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Refunding Bonds may be delivered at the earliest practicable date to the Underwriter.

21. Notwithstanding the provisions of any order, ordinance or resolution of the Board heretofore adopted or entered, the Board hereby authorizes proceeds of the Refunding Bonds and the Prior Bonds, together with any tax revenues earmarked for payment of debt service on the Refunding Bonds (excluding any amounts in the Escrow Fund), to be deposited with the Commission and invested by the Commission in the West Virginia "Consolidated Investment Fund."

22. The Board hereby finds and determines that legal provision has been made for the imposition, levy and collection of, and the Board hereby covenants to levy and collect, a direct annual tax in excess of all other taxes, on all taxable property in the School District sufficient to pay the principal of and the interest on the Refunding Bonds, as and when payable, and that, except for any bonds which may be hereafter authorized and issued, there are no outstanding general obligation bonds of the Board heretofore issued other than the Prior Bonds, which shall be deemed paid upon the completion of the Refunding.

23. The President of the Board is hereby authorized and directed to execute and deliver to the Executive Director of the Commission, as soon as possible, a request to certify the amount of taxes expected to be available for the payment of the debt service on the Refunding Bonds in each year, as required by the Refunding Act.

24. The President of the Board, the Secretary of the Board, and all other officers and employees of the Board are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Refunding Bonds to be duly and properly issued by the Board and delivered to the Underwriter as herein authorized and to otherwise facilitate the transaction contemplated by this Resolution and Order and the Bond Purchase Agreement, including but not limited to consulting with or applying to rating agencies to obtain a rating on the Refunding Bonds and consulting with or applying to insurance agencies for bond insurance for the Refunding Bonds, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

25. This Resolution and Order shall take effect immediately upon its adoption.

Adopted and entered of record this August 13, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: James B. Tucciarelli
President

CERTIFICATION

Certified a true, correct and complete copy of a Resolution and Order duly adopted and enacted by The Board of Education of the County of Brooke at a regular meeting of the Board held at 7:00 p.m., on August 13, 2012, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 13th day of August, 2012.

[SEAL]

By Dr. Kathy Kiser Atkinson
Secretary

EXHIBIT A - PRIOR BONDS TERMS

$15,000,000
The Board of Education of the County of Brooke (West Virginia)
Public School Bonds, Series 2001
Dated: March 1, 2001

Maturity Date (May 1)	Principal Amount	Interest Rate	Annual Interest Payments	Annual Debt Service
2013	$1,200,000	4.5%	$243,500	$1,443,500
2014	1,260,000	4.6	189,500	1,449,500
2015	1,320,000	4.7	131,540	1,451,540
2016	1,390,000	5.0	69,500	1,459,500
TOTALS	$5,170,000		$634,040	$5,804,040

EXHIBIT B - REFUNDING BONDS TERMS*

$_,___,000
The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012
Dated: _____, 2012

Maturity Date (May 1)	Principal Amount	Interest Rate	Annual Interest Payments	Annual Debt Service
2013	$	%	$	$
2014				
2015				
2016				
TOTALS	$,___,000		$___,___	$,___,___

* Preliminary, subject to change.

EXHIBIT C - BOND FORM

No. R-1 $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
_____%	May 1, 2013	September __, 2012	112511___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. The Treasurer of the State of West Virginia has designated WesBanco Bank, Inc., Wheeling,

West Virginia, as its agent to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $_,___,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on August 13, 2012, as amended, for the purpose of refunding the Issuer's Public School Bonds, Series 2001, currently outstanding in the aggregate principal amount of $5,170,000 (the "Prior Bonds"). The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

This Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Bond to the Registrar at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner of this Bond or his attorney-in-fact or legal representative. The Registrar shall enter any transfer of ownership of this Bond in the registration

books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and form for the aggregate denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner thereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the Registered Owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Issuer upon the Bond as paid.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Order, against any member, officer or employee, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

The Bonds are not subject to redemption prior to maturity.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

For payment of both principal and interest hereof the full faith and credit and resources of the Issuer are hereby irrevocably pledged within the limitations prescribed by the Constitution and statutes of the State of West Virginia.

The Issuer has covenanted in the Order that it shall include in its budget the amount of the debt service for each fiscal year of the Issuer in which principal and/or interest on the Bonds is payable, that it shall appropriate from its revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due, the principal of and interest on the Bonds.

This Bond has been properly designated by the Issuer as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Subject to the registration requirements set forth herein, this Bond, under the provisions of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

The Issuer has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

This Bond shall not be entitled to any benefit under the Order nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Registrar.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September __, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

(SEAL) By: _____
President

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below. Attached hereto is the complete text of the opinion of Goodwin & Goodwin, LLP, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: September __, 2012.

WesBanco Bank, Inc., as Registrar

By: _____
Vice President

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 201_.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned Marie L. Prezioso, Senior Vice President of Piper Jaffray & Co. (the "Purchaser"), for and on behalf of the Purchaser, and James R. Piccirillo, President of The Board of Education of the County of Brooke (the "Issuer"), hereby certify as follows:

1. On November 5, 2012, in New York, New York, the Purchaser received the entire original issue of $4,075,000 in aggregate principal amount of The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). The Bonds, as so received on original issuance, are dated November 5, 2012, are numbered, mature on May 1 of the years, bear interest at the rates and are in the respective denominations set forth in **EXHIBIT A** attached hereto and incorporated herein by reference, and are all fully registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds upon original issuance, they had been signed by James R. Piccirillo, as President of the Issuer, by his manual signature, and countersigned by Dr. Kathy Kidder Wilkerson, as Secretary of the Issuer, by her manual signature, and the seal of the Issuer had been affixed upon such Bonds and the Bonds had been manually authenticated by WesBanco Bank, Inc., as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser as the original purchaser of the Bonds, of the proceeds of the Bonds, as follows:

Purchase Price (100% of par)	$4,075,000.00
Plus: Original Issue Premium	166,304.85
Less: Underwriter's Discount	55,375.00
TOTAL	$4,185,929.85

Payment for the Bonds was made in Federal Funds in the amount of $4,185,929.85, on the date hereof.

WITNESS our respective signatures this 5th day of November, 2012.

PIPER JAFFRAY & CO.

By: _____
Senior Vice President

THE BOARD OF EDUCATION OF THE
COUNTY OF BROOKE

By: _____
President

EXHIBIT A

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

BOND NO.	CUSIP	Maturity Date (May 1)	Principal Amount	Interest Rate
R-1	112511 CS 7	2013	$1,190,000	3.00%
R-2	112511 CT 5	2014	1,290,000	3.00
R-3	112511 CU 2	2015	1,330,000	3.00
R-4	112511 CV 0	2016	265,000	3.00

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

WesBanco Bank, Inc., as Registrar
Wheeling, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith (or have previously been delivered to you) as Registrar for the above-captioned Bonds:

1. Bonds Nos. R-1 to R-4, inclusive, constituting the entire original issue of The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012, dated November 5, 2012, in the aggregate principal amount of $4,075,000 (the "Bonds"), all as set forth in **EXHIBIT A**, attached hereto and made a part hereof, signed by the President and countersigned by the Secretary of The Board of Education of The County of Brooke (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Resolution and Order adopted by the Issuer on August 13, 2012 (the "Resolution").

2. A copy, duly certified by the Secretary, of the Resolution.

3. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Purchaser.

You are hereby requested and authorized to authenticate, register and deliver the Bonds to CEDE & CO., as nominee of The Depository Trust Company, on behalf of Piper Jaffray & Co., as the Purchaser thereof.

Dated as of this 5th day of November, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: _____
President

EXHIBIT A

$4,075,000
The Board Of Education of the County of Brooke
(West Virginia)
Public School Refunding Bonds, Series 2012

BOND NO.	CUSIP	Maturity Date (May 1)	Principal Amount	Interest Rate
R-1	112511 CS 7	2013	$1,190,000	3.00%
R-2	112511 CT 5	2014	1,290,000	3.00
R-3	112511 CU 2	2015	1,330,000	3.00
R-4	112511 CV 0	2016	265,000	3.00

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

SPECIMEN

No. R-1 $1,190,000.00

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2013	November 5, 2012	112511CS7

SPECIMEN

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION ONE HUNDRED NINETY THOUSAND DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

SPECIMEN

No. R-2 $1,290,000.00

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2014	November 5, 2012	112511 CT5

SPECIMEN

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED NINETY THOUSAND DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

SPECIMEN

No. R-3 $1,330,000.00

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2015	November 5, 2012	112511CU2

SPECIMEN

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED THIRTY THOUSAND DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-4 SPECIMEN $265,000.00

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2016	November 5, 2012	112511CV0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS SPECIMEN

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said

Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. The Board has designated WesBanco Bank, Inc., Wheeling, West Virginia, as its agent to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"). Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended (the 'Bond Act"), both the principal of and interest on the Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $4,075,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on August 13, 2012, for the purpose of refunding the Issuer's Public School Bonds, Series 2001, currently outstanding in the aggregate principal amount of $5,170,000 (the "Prior Bonds"). The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

This Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Bond to the Registrar at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner of this Bond or his attorney-in-fact or legal representative. The Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and form for the aggregate denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner thereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the Registered Owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Issuer upon the Bond as paid.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Order, against any member, officer or employee, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

The Bonds are not subject to redemption prior to maturity.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided

by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

For payment of both principal and interest hereof the full faith and credit and resources of the Issuer are hereby irrevocably pledged within the limitations prescribed by the Constitution and statutes of the State of West Virginia.

The Issuer has covenanted in the Order that it shall include in its budget the amount of the debt service for each fiscal year of the Issuer in which principal and/or interest on the Bonds is payable, that it shall appropriate from its revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due, the principal of and interest on the Bonds.

Subject to the registration requirements set forth herein, this Bond, under the provisions of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

The Issuer has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

This Bond shall not be entitled to any benefit under the Order nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Registrar.

Interest on this Bond accrues from the Bond Date stated above and is computed on the basis of a year of 360 days and twelve 30-day months.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of November 5, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

(SEAL)

By: _____
President

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below. Attached hereto is the complete text of the opinion of Goodwin & Goodwin, LLP, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: November 5, 2012.

WESBANCO BANK, INC., as Registrar

By: Janet W. Kendzerski
~~Vice President~~ CORP. TRUST OFF.

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

GENERAL CERTIFICATE OF THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE ON:

1. TERMS
2. NO LITIGATION
3. SALE OF BONDS; SIGNATURES
4. DELIVERY AND PAYMENT
5. CERTIFICATION OF BOND DOCUMENTS
6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
7. MEETINGS, ETC.
8. INCUMBENCY AND OFFICIAL NAME
9. INVESTMENT OF ESCROW FUND AND DEFEASANCE OF PRIOR BONDS
10. DESIGNATION OF REGISTRAR, PAYING AGENT AND ESCROW AGENT
11. CERTIFICATIONS PURSUANT TO PARAGRAPH 14(c)(v) OF THE BOND PURCHASE AGREEMENT
12. SPECIMEN BOND

The undersigned PRESIDENT and the undersigned SECRETARY of The Board of Education of the County of Brooke (West Virginia) (the "Issuer"), a public corporation of the State of West Virginia (the "State"), HEREBY CERTIFY, for and on behalf of the Issuer, to Piper Jaffray & Co., as original purchaser from the Issuer of the above-captioned bond issue, Goodwin & Goodwin, LLP, as bond counsel to the Issuer, and other interested parties as follows, jointly unless otherwise stated, all capitalized terms not otherwise defined herein to have the meanings given in the Resolution, herein defined:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as in the Resolution and Order of the Issuer adopted August 13, 2012 (the "Resolution").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance, sale and delivery of the Bonds or the collection of the ad valorem tax levies or the pledge thereof to the payment of the principal of and interest on the Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance, sale and delivery of the Bonds nor in any manner affecting the validity or enforceability of the Bonds, the Resolution, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Preliminary Official

Statement, the Official Statement or any other agreement or instrument relating thereto (collectively, the "Bond Documents"), the sale of the Bonds, the Refunding of the Prior Bonds, or any provisions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the President, Secretary and the members of the Board and other officials of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the authorization, sale and delivery of the Bonds; nor wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Issuer or adversely affect the power of the Issuer to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds.

3. SALE OF BONDS; SIGNATURES: The Bonds were sold to Piper Jaffray & Co., Charleston, West Virginia, upon a negotiated basis at the price of 100% of par, plus original issue premium in the amount of $166,304.85, less an underwriter's discount of $55,375.00 (total of $4,185,929.85). As of the date hereof, the Bonds were duly signed by the manual signature of the President and countersigned by the manual signature of the Secretary, and the official seal of the Issuer, which seal is impressed upon this Certificate, was affixed thereto.

4. DELIVERY AND PAYMENT: The undersigned President did, on the date hereof, deliver to the Purchaser, through DTC, in New York, New York, the entire issue of the Bonds, in denominations equal to the principal amounts maturing in each of the years 2013 to 2016, and numbered R-1 to R-4, inclusive.

At the time of delivery of the Bonds, there was paid to the Issuer the agreed price therefor as follows:

Purchase Price (100% of par)	$4,075,000.00
Plus: Original Issue Premium	166,304.85
Less: Underwriter's Discount	55,375.00
TOTAL	$4,185,929.85

5. CERTIFICATION OF BOND DOCUMENTS: There are delivered herewith true and correct copies of the following documents, all which remain in full force and effect and have not been amended, modified, supplemented or repealed unless changed by the terms of other documents listed below:

Resolution and Order.

Minutes on Adoption of Resolution and Order (Meeting of August 13, 2012).

Bond Purchase Agreement.

Escrow Agreement.

Preliminary Official Statement.

Official Statement.

Continuing Disclosure Agreement.

S&P Rating Letter.

Accountant's Verification Report Regarding Sufficiency of Escrow Fund.

Tax Compliance Certificate.

Certificate of Chairman of Bond Commission.

6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since June 30, 2011. On the date hereof, the Issuer has defeased the lien of The Board of Education of the County of Brooke Public School Bonds, Series 2001 (the "Prior Bonds"), on the ad valorem property taxes of the Brooke County School District. Accordingly, the Board, as of the date hereof, has no outstanding obligations that have a lien on such tax revenues prior to or on a parity with that of the Bonds. Accordingly, as of the date hereof, there is not any indebtedness or obligation of the Issuer outstanding and unpaid or for which full and irrevocable provision for payment has not been made which has priority over or ranks on a parity with the Bonds as to the sources of and security for payment.

7. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds or the refunding of the Prior Bonds were authorized or adopted at meetings of the Board of the Issuer duly and regularly called and held pursuant to all applicable statutes, including Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and a quorum of duly elected, qualified and acting members of the Issuer was present and acting at all times during all such meetings.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The Board of Education of the County of Brooke," and it is a public corporation of the State, in Brooke County of said state. The governing body of the Issuer consists of five members. The names and dates of commencement and termination of current terms of office of the members of the Issuer are as follows:

Name and Office	Date of Commencement of Office	Date of Termination of Office
James R. Piccirillo, President	July 1, 2012	June 30, 2016
Brian L. Ferguson, Vice President	July 1, 2012	June 30, 2016
Chad D. Haught	November 12, 2010	June 30, 2014
James F. Lazear	July 1, 2010	June 30, 2014
Frank A. Ujcich	July 1, 2010	June 30, 2014

The duly appointed and acting Superintendent of Schools and Board Secretary is Dr. Kathy Kidder Wilkerson.

The duly appointed and acting Attorney for the Issuer is David B. Cross, Esq., Wellsburg, West Virginia.

9. INVESTMENT OF ESCROW FUND AND DEFEASANCE OF PRIOR BONDS: The funds on deposit in the Escrow Fund established by the Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent, dated as of November 5, 2012, have been invested as provided in the Escrow Agreement and the amount of such invested funds (together with certain cash amounts therein and interest thereon) is sufficient to pay the principal of and the interest on the Prior Bonds on the respective maturities and interest payment dates thereof and to pay the redemption price of the Bonds. Accordingly, the Prior Bonds have been discharged and the lien of the Resolution authorizing the Prior Bonds has been discharged as of the date hereof.

10. DESIGNATION OF REGISTRAR, PAYING AGENT AND ESCROW AGENT: The Issuer hereby confirms the appointment of WesBanco Bank, Inc., Charleston, West Virginia, as Registrar, and the West Virginia Municipal Bond Commission, as Paying Agent and Escrow Agent.

11. CERTIFICATIONS PURSUANT TO PARAGRAPH 14(c)(v) OF THE BOND PURCHASE AGREEMENT: In addition to the foregoing, the undersigned hereby certify, as follows:

(A) the Issuer has duly performed all of its obligations to be performed at or prior to the date hereof in which the Bonds are exchanged for their Purchase Price (the "Closing) and that each of its representations and warranties contained herein are true as of Closing, (B) it has authorized, by all necessary action the execution, delivery, receipt and due performance of the Bonds, the Continuing Disclosure Agreement, the Resolution, the Escrow Agreement and all other Issuer Documents (as defined in the Bond Purchase Agreement) as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated by the Bond Purchase Agreement and by the Official Statement, (C) to the Issuer' s knowledge, no litigation is pending or threatened, to restrain or enjoin the

issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the Resolution, (D) the execution, delivery, receipt and due performance of the Bonds, the Issuer Documents and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and the Issuer' s compliance with the provisions thereof will not conflict with or constitute on the part of the Issuer a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which it may be bound, (E) to the best of our knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement to make the statements and information therein not misleading in any material respect for the purposes for which it is to be used and (F) the Issuer is obligated by such Continuing Disclosure Agreement and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5), excepting only such matters as may be described in the Continuing Disclosure section of the Official Statement;

12. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

WITNESS our signatures and the official corporate seal of THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE as of the November 5, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: _____
President

By: _____
Secretary and Superintendent

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

TAX COMPLIANCE CERTIFICATE

The undersigned PRESIDENT and the undersigned SECRETARY of The Board of Education of the County of Brooke, West Virginia (the "Issuer"), being officials of the Issuer duly charged with the responsibility for the issuance of the $4,075,000 Public School Refunding Bonds, Series 2012, dated November 5, 2012 (the "Bonds"), hereby certify as follows, jointly, unless otherwise stated, all capitalized terms used herein and not otherwise defined to have the meanings ascribed thereto in the Resolution and Order adopted by the Issuer on August 13, 2012 (the "Resolution"), pursuant to which the Bonds are issued:

A. DEFINITIONS

In addition to the terms defined in the Resolution, the following words and phrases shall have the following meanings:

"Bona Fide Debt Service Fund" shall mean a fund which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding bond year; or

(ii) one-twelfth (1/12th) of the principal and interest payments on the issue for the immediately preceding Bond Year.

"Bond Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Bond Commission.

"Bond Year" means the one-year periods during the term of the Bonds beginning on the second day of May of any calendar year and ending on the first day of May of the succeeding calendar year, provided, that the first Bond Year shall begin on the Date of Issue of the Bonds and end on May 1, 2013.

"Bond Yield" means the yield of the Bonds, calculated in accordance with the provisions of Section 1.148-4 of the Regulations.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means each Installment Computation Date and the Final Computation Date.

"Computation Date Credit" means $1,000.00. Only one Computation Date Credit for each Computation Date is permitted for the Bonds.

"Costs of Issuance" means all costs incurred in connection with the borrowing. Examples of costs of issuance include (but are not limited to):

(a) Underwriter's Discount;

(b) counsel fees (including Bond, Underwriter's and Issuer's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);

(c) financial advisor and placement agent fees incurred in connection with the issuance of the Bonds;

(d) paying agent, disbursement agent, and registrar and authenticating agent fees related to issuance of the Bonds;

(e) accountant fees related to verification of yield and other matters in connection with issuance of the Bonds;

(f) printing costs (for the Bonds and of preliminary and final offering materials); and

(g) costs incurred in connection with any required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum).

"Date of Issue" means November 5, 2012.

"Debt Service Account" means the fund described in Section B(10) hereof.

"Discharged" means with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Bond after such date.

"Fair Market Value" of an Investment means the fair market value as determined under Section 1.148(d) of the Regulations and other applicable provisions of the Code.

"Final Computation Date" means the date on which the last Bond is Discharged.

"Future Value" means the amount determined by using the following formula:

$$FV = PV(1+i)^n$$

where:

FV = The future value of the nonpurpose receipt or payment at the end of the interval. Each interval ends on the last day of a compounding interval. The compounding interval is the same compounding interval used in computing the Bond Yield.

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval. The first interval begins on the date the nonpurpose

receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at the beginning of the first interval may be rounded to the nearest whole dollar. The preceding sentence shall not apply to receipts and payments with respect to investments in a restricted escrow within the meaning of Section 1.148-8(g) of the Regulations.

i = The Bond Yield during the interval (expressed as a decimal) divided by the number of compounding intervals in a year.

^{n} = A fraction, the numerator of which is the length of the interval and the denominator of which is the length of a whole compounding interval.

"Gross Proceeds" means Proceeds and Replacement Proceeds of the Bonds within the meaning of the Regulations.

"Installment Computation Date" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"Investment" means any security, obligation, annuity contract, or investment type property as defined in section 148(b) of the Code.

"Investment Proceeds" means any amounts actually or constructively received from investing Proceeds of an issue of bonds.

"IRS" means the Internal Revenue Service.

"Issue Price" means $4,241,304.85, being the initial offering price to the public at which price a substantial amount of the Bonds is sold. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Bonds may not exceed their fair market value as of the sale date.

"Net Sale Proceeds" means Sale Proceeds less the amount of those proceeds invested in a reasonably required reserve or replacement fund under section 148(d) of the Code and as part of a minor portion under section 148(e) of the Code.

"Nonpurpose Investment" means any Investment that is not acquired to carry out the governmental purpose of an issue.

"Payment" means a payment as defined in section 1.148-3(d) of the Regulations for purposes of computing the rebate amount, and a payment as defined in section 1.148-5(b) of the Regulations for purposes of computing the yield on an investment.

"Present Value" means the amount determined by using the following formula:

$$PV = \frac{FV}{(1+i)^n}$$

where i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the date as of which the Future Value is determined and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

"Present Value of an Investment" shall mean the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

"Prior Bonds" means the Issuer's Public School Bonds, Series 2001, dated as of March 1, 2001.

"Proceeds" means Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher

yield under section 1.148-2(d) of the Regulations or section 143(g) of the Code or to qualified administrative cost recoverable under section 1.148-5(e).

"Rebate Amount" means, in respect of the bonds, the amount determined pursuant to the Code and Regulations in accordance with section E(1) hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"Rebate Analyst" means the entity or person chosen by the Issuer in accordance with Section E(3) hereof to determine the Rebate Amounts.

"Rebate Fund" means the fund created by the Issuer herein by that name.

"Rebate Payment Date" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the IRS. The Rebate Payment Date cannot be a date that is more than 60 days after a Computation Date.

"Receipt" means a receipt as defined in section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a receipt as defined in section 1.148-5(b) for purposes of computing Yield on an Investment.

"Regulation" or "Regulations" means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury that are applicable to the Bonds.

"Replacement Proceeds" means amounts that are treated as replacement proceeds of an issue of bonds under section 1.148-1(c) of the Regulations. Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"Sale Proceeds" means amounts actually or constructively received from the sale of an issue of bonds (including amounts used to pay underwriter's discount and compensation and accrued interest other than pre-issuance accrued interest).

"Tax-Exempt Bond" means any tax-exempt bond within the meaning of section 103 of the Code and section 1.150-1 of the Regulations that is not investment property within the meaning of section 148(b)(3) of the Code.

"Transferred Proceeds" means Proceeds of a prior issue of bonds that have ceased to be allocated to that prior issue and are treated as Proceeds of a refunding issue under section 1.148-9 of the Regulations.

"Transferred Proceeds of the Bonds" means amounts that have ceased to be allocated to the Prior Bonds and are treated as Transferred Proceeds of the Bonds.

"Underwriter" means Piper Jaffray & Co., Charleston, West Virginia.

"Universal Cap" means the maximum value of Nonpurpose Investments that may be allocated to the Bonds under section 1.148-6 of the Regulations and is determined by reference to the Value of all outstanding Bonds of the issue. For purposes of this determination Nonpurpose Investments include cash, Tax-Exempt Bonds (i.e., any tax-exempt bond that is not investment property under section 148(b)(3) of the Code), qualified mortgage loans, and qualified student loans.

"Valuation Date" means the date on which the value of the Universal Cap and the Nonpurpose Investments allocable to the Bonds thereunder must be determined under section 1.148-6 of the Regulations. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date. In addition, the Regulations provide with respect to a refunded issue (e.g., the Prior bonds) and a refunding issue (i.e., the Bonds) each date on which proceeds of the refunded issue would become transferred proceeds of the refunding issue, e.g., each date on which principal of the refunded issue is paid with proceeds of the refunding bonds, constitutes a Valuation Date.

"Value of a Bond" means the value of a bond determined under section 1.148-4(e) of the Regulations. Under those Regulations, value generally means:

> (a) In the case of a plain par bond (within the meaning of section 1.148-1(b) of the Regulations), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated

redemption price on the redemption date plus accrued unpaid interest; and

(b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bonds are a part as the discount factor. In determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

"Value of an Investment" means the value of an investment determined under section 1.148-5(d) of the Regulations. Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of section 1.148-1(b) of the Regulations) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of section 1.148-1(b) of the Regulations), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

"Yield" or "yield" means the yield computed under section 1.148-4 of the Regulations for the Bonds, and the yield computed under Section 1.148-5 of the Regulations for an Investment.

"Yield Restricted Investments" means any Investments that either (1) bear a yield that is no greater than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the "Code"). We are officers of the Issuer charged with the responsibility of issuing the Bonds. We are familiar with the facts, circumstances, and estimates herein certified and are duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of their respective obligations or that there is any disqualification thereof by the Internal Revenue Service because a certification made by it contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on November 5, 2012, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Resolution that it will not permit at any time or times any of the proceeds of the Bonds or any funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

6. The Bonds were sold and delivered on November 5, 2012, to Piper Jaffray & Co., Charleston, West Virginia (the "Original Purchaser") for a purchase price of $4,075,000.00, plus original issue premium in the amount of $166,304.85, less an underwriter's discount in the amount $55,375.00 (total of $4,185,929.85).

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of providing moneys necessary (i) to currently refund the Prior Bonds on November 15, 2012, and (ii) to pay costs of issuance of the Bonds and related costs. The purpose of the refunding is to achieve present value debt service savings and to make available to the Issuer accumulated tax levy moneys and earnings thereon relating to the Prior Bonds ("Surplus Funds"), which will be released to the Issuer as described in Section C(3).

8. The Prior Bonds were issued for the purposes of (i) providing funds to pay costs of acquisition, construction and equipping of capital improvements, repairs or replacements for those school facilities described in the bond election order adopted by the Issuer on August 14, 2001, in connection with the issuance of the Prior Bonds and (ii) paying costs of issuance of the Prior Bonds, and the Proceeds of the Prior Bonds were applied for such purposes.

9. The Issuer has unspent proceeds of the Prior Bonds, consisting of interest earnings on the bond proceeds of the Prior Bonds, that will be transferred by the Issuer to the Bond Commission, in the amount of $323,418.38, and deposited into the Escrow Fund. A corresponding amount of surplus funds may be withdrawn by the Issuer to be used solely and exclusively for payment or repayment of costs of capital improvements, repairs, maintenance to or replacement of school facilities in Brooke County, West Virginia, that were specified in the bond election referendum approved by the voters of Brooke County on November 7, 2000, and for no other purposes.

10. The face amount of the Bonds is $4,075,000. The sources and uses of proceeds of the Bonds in connection with the refunding of the Prior Bonds is as follows:

Sources:

Principal Amount of the Bonds	$4,075,000.00
Original Issue Premium	166,304.85
Transfer from Series 2001 Bond Account	323,418.38
Transfer from Funds at Bond Commission	746,581.62
Total	$5,311,304.85

Uses:

Deposit to Escrow Fund (1)	$5,179,469.44
Costs of Issuance Account	76,460.41
Underwriter's Discount	55,375.00
Total	$5,311,304.85

11. The Underwriter has stated, in its certificate, a copy of which is attached hereto as EXHIBIT B - UNDERWRITER'S CERTIFICATE (the "Underwriter's Certificate") that all of the Bonds have been purchased directly by it at the initial offering prices set forth in the Official Statement relating to the Bonds, dated November 5, 2012. The computation of the yield on the Bonds has been determined by Grant Thornton LLP, Certified Public Accountants, Minneapolis, Minnesota, in their Verification Report dated November 5, 2012 (the "Verification Report"), using the present value method in accordance with Section 1.148-4 of the Regulations using a 360-day year, compounding interest semiannually. The yield on the Bonds, as so computed, has been determined to be 0.5146%, based on a "purchase price" equal to the Initial Issue Price for the Bonds.

C. THE REFUNDING

1. At the request of the Issuer, certain schedules (the "Schedules") have been prepared by Grant Thornton LLP, Certified Public Accountants, and are attached to the Verification Report for purposes of detailing certain relevant aspects of the refunding. As more fully detailed on the Schedules and in the hereinafter described Escrow Agreement, the refunding program will be implemented generally as set forth below.

2. The Issuer has entered into an Escrow Agreement (the "Escrow Agreement"), dated as of November 5, 2012, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Bond Commission"), as Escrow Agent. The Issuer and the Escrow Agent will cause Bond proceeds in the amount of $4,109,469.44 to be deposited in the Escrow Fund, along with $746,581.62 transferred from the Surplus Account for the Prior Bonds maintained at the Bond Commission and $323,418.38 transferred by the Issuer from the Bond Proceeds Account for the Prior Bonds. The sum of these 3 amounts, being $5,179,469.44, shall be sufficient, without reinvestment, to pay in full the principal of and interest on the Prior Bonds and to redeem all outstanding Prior Bonds on November 15, 2012.

3. Proceeds of the Bonds in the amount of $76,460.41 shall, within 30 days of the Closing Date, be applied to payment of Costs of Issuance of the Bonds.

4. $323,418.38 from funds in the Surplus Collection Account for the Prior Bonds will, on or after the Closing Date, be withdrawn by the Issuer, deposited either with a commercial bank eligible to receive such deposits and applied solely by the Issuer to costs of capital improvements, repairs or replacements for those school facilities described in the bond election order adopted by the Issuer in connection with the issuance of the Prior Bonds.

5. Concurrently with the delivery of the Bonds, $350,000 remaining in the Debt Service and Surplus Collection Accounts for the Prior Bonds at the Bond Commission will be transferred by the Bond Commission to a Surplus Collections Account at the Bond Commission for the Bonds.

6. The funds in the Surplus Collections Account will be available, if needed, to pay the principal of and interest on the Bonds and shall not be used for any other purpose until May 1, 2016. On or after May 1, 2016, the Issuer shall review the balances in the Debt Service Account for the Bonds and in the Surplus Collections Account, and, upon determination in writing by the Issuer that sufficient amounts are on

hand at the Bond Commission to pay in full the principal of and interest on the Bonds, the Issuer may withdraw all or a portion of the funds then remaining in the Surplus Collections Account. Each withdrawal request of the Issuer shall be specifically authorized by resolution of the Issuer. All funds released from the Surplus Collections Account will be expended for their governmental purpose within 6 months from the date of such release. The Surplus Collections Account shall be closed by the Bond Commission when all the funds therein have been withdrawn or used to pay debt service.

D. THE BONDS

1. The principal amounts, interest rates, interest and principal payment dates, and debt service with respect to the Bonds are detailed in the Schedules to the Verification Report.

2. Using the initial offering price of the Bonds as the "purchase price" and taking into account accrued interest, the yield on the Bonds is computed in the Schedules to be 0.5146% (the "Bond Yield").

3. A Debt Service Account for the Bonds is established by the Bond Commission. Moneys deposited to the Debt Service Account, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Bonds or as otherwise required by law. The Bonds all bear interest at a fixed interest rate. The Debt Service Account is designed to achieve a proper matching of the Issuer's revenues and debt service on the Bonds within each Bond Year. All moneys held in the Debt Service Account will be used to pay debt service on the Bonds. All Sale Proceeds of the Bonds deposited in the Debt Service Account (if any) will constitute accrued interest on the Bonds and will be applied to pay interest on the Bonds on the first interest payment date, being May 1, 2013. To the extent that the Debt Service Account qualifies as a Bona Fide Debt Service Fund, all moneys in the Debt Service Account will be invested without restriction as to yield and are not subject to rebate.

4. A Surplus Collections Account for the Bonds is also established by the Bond Commission. Tax levy receipts and earnings thereon in excess of the amounts necessary to pay principal of and interest on the Bonds are transferred from the Debt Service Account and accumulated in the Surplus Collections Account. Moneys in the Surplus Collections Account are used to pay debt service on the Bonds in the event that

tax levies for any particular period are insufficient therefor. All moneys in the Surplus Collections Account will be invested at a yield not to exceed the yield on the Bonds.

5. No Reserve Account or similar fund is established with respect to the Bonds.

6. Other than the Debt Service Account and the Surplus Collections Account, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Bonds or which are pledged as collateral to secure repayment of Debt Service on the Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Bonds.

7. Accrued interest with respect to the Bonds, if any, in an amount less than 6 month's interest on the Bonds will be applied within one year from the date hereof toward the payment of interest first due on the Bonds, as detailed in the Schedules. Pending such disbursement, such monies will be invested without restriction as to yield.

8. All amounts deposited into the Debt Service Account will constitute Replacement Proceeds to the extent that those funds are allocable to the Bonds under Section 1.148-6 of the Regulations and will not be invested at a Yield that exceeds the Yield on the Bonds unless such moneys, or a part of such moneys, qualify as a Bona Fide Debt Service Fund.

94. The Issuer hereby designates the Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code, and certifies that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Bonds, have been or shall be issued by the Issuer, during the calendar year 2012, all as determined in accordance with the Code. For purposes of this paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set

forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefiting thereby shall be treated as one issuer.

E. REBATE OF EXCESS ARBITRAGE

1. Rebate Fund; Calculation of Rebate Amount.

(a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess. Except as provided below, the Debt Service Account and all other funds or accounts treated as containing Gross Proceeds are subject to this requirement.

(b) The Issuer hereby creates the Rebate Fund to be held by a commercial bank separate and apart from all other funds and accounts of the Issuer. On or before 45 days following each Computation Date, an amount shall be deposited into the Rebate Fund by the Issuer so that the balance held in the Rebate Fund shall equal the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. Moneys so deposited shall be derived from the Issuer's own funds.

(c) To meet the rebate requirements of Section 148(f) of the Code, the Issuer (or the Rebate Analyst described in Section E(3) hereof) agrees and covenants to take the following actions:

(i) For each investment of (i) amounts held in the Debt Service Account, (ii) Transferred Proceeds of the Bonds, and (iii) any other moneys held by the Issuer which constitute Gross Proceeds, the Issuer shall record the purchase date of such investment, its purchase price, accrued interest due on its

purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(ii) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (iii) below, the Issuer shall compute the Yield on the Bonds as required by the Code and Regulations. If the Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek the advice of Bond Counsel or other rebate expert to recompute the Yield on the Bonds as required by the Regulations.

(iii) For each Computation Date, the Issuer shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above this section E(1)(c) that are allocable to Gross Proceeds of the Bonds. In addition, where Nonpurpose Investments are retained by the Bond Commission after retirement of the Bonds, any unrealized gains or losses as of the date of retirement of the Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Nonpurpose Investments that are allocable to Gross Proceeds of the Bonds, the Issuer shall consider the allocation rules set forth in the Regulations, including the rules relating to the Universal Cap. In general, the Universal Cap represents the maximum value of Nonpurpose Investments that may be allocated to an issue of bonds and is determined by reference to the Value of all the outstanding bonds of the issue.

(v) For each Computation Date, the Issuer shall calculate for each Nonpurpose Investment described in paragraph (iii) above, an amount equal to the earnings that would have been received on such Nonpurpose Investment at an interest rate equal to the Yield on the Bonds as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond year shall not be taken into account.

(vii) For each Computation Date, the Issuer shall calculate the Rebate Amount (computed from the Issue Date of the Bonds to each such Computation Date) by any appropriate method provided in the Code and Regulations that is applicable to the Bonds, taking into account any computation credit allowed thereunder. In determining the Rebate Amount, the Issuer shall account for the amounts determined under paragraphs (iii), (iv), and (v) above.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Account, the Issuer shall immediately pay that amount, or cause that amount to be paid, into the Rebate Account.

2. Payment to United States. (a) Installment Computation Dates. Unless the Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to the

Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Bonds to each such Installment Computation Date).

(b) Final Computation Date. The Issuer shall pay to the United States, not later than sixty (60) days after the last outstanding Bonds are paid or redeemed, one hundred percent (100%) of the Rebate Amount for the Final Computation Date (computed from the date of issuance of the Bonds to the Final Computation Date).

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Ogden, Utah 84201. Each payment shall be accompanied by (i) a copy of IRS Form 8038-T, and (ii) the CUSIP number for the Bond with the latest maturity.

(d) Excess Balance in Rebate Fund; Excess Rebate Payments. If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Bonds, such excess may be withdrawn by the Issuer from the Rebate Fund. The Issuer may direct that any overpayment of rebate may be recovered from any rebate payment previously made to the United States under any procedure that may be permitted by the Code or the Regulations.

(e) Rebate on Prior Bonds. The Issuer acknowledges that the non-inclusion of gross income of interest on the Bonds depends upon compliance with the tax requirements (including the rebate requirement, if any) that apply to the Prior Bonds. The Issuer has determined that the Prior Bonds and Gross Proceeds thereof were not subject to rebate or has made all required rebate payments to the United States.

(f) Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(i) The Issuer shall record all amounts paid to the United States pursuant to Section E(2) hereof.

(ii) The Issuer shall retain records of the rebate calculations until six years after the Final Computation Date.

(iii) The Issuer shall keep and record the data described in Section E(1)(c) hereof

pertaining to the investment of the proceeds of the Bonds until six years after the Final Computation Date.

3. Rebate Analyst. (a) A Rebate Analyst shall be appointed to perform the rebate calculations, as required herein.

(b) The Issuer may rely conclusively upon and shall be fully protected from all liability in relying upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith.

4. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Bonds.

F. MISCELLANEOUS

1. The amount designated as "Cost of Issuance" of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds and refunding of the Prior Bonds.

2. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah 84201. The information set forth in EXHIBIT A - INFORMATION FOR PURPOSES OF IRS FORM 8038-G, attached hereto, is true and correct, and may be relied upon by Bond counsel in its preparation of IRS Form 8038-G.

3. None of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

4. The original proceeds of the Bonds will not exceed the amount necessary for the purpose of the issue, except to the extent any such proceeds are required for rebate to the United States.

5. The Issuer shall use the proceeds of the Bonds solely to accomplish the refunding of the Prior Bonds.

6. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

7. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

8. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

9. On each Valuation Date, the Issuer agrees to value the Universal Cap and the Nonpurpose Investments allocable to the Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Bonds as of a Valuation Date shall not be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

10. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Bonds.

11. In connection with the Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax Compliance Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Bonds or any contract securing the Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Bonds.

12. The Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

13. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or which will be paid directly or indirectly from proceeds of the sale of the Bonds.

14. Gross Proceeds of the Bonds, other than gross proceeds that are allocable to:

(a) the payment of principal of and, interest on the Prior Bonds;

(b) the payment of pre-issuance accrued interest on the Bonds from the Date of Issue to the date hereof;

(c) the payment of the Costs of Issuance of the Bonds;

(d) the payment of administrative costs allocable to repaying the Prior Bonds, or carrying and repaying the Bonds, or the reasonable investments of Proceeds of the Bonds;

(e) Transferred proceeds allocable to expenditures for governmental purpose of the Prior Bonds;

(f) amounts deposited in the Debt Service Account (including investment earnings thereon) to pay debt service on the Bonds; and

(g) qualified guarantee fees (within the meaning of the Regulations) for the Bonds or the Prior Bonds;

will not exceed 1% of the Sale Proceeds from the Bonds.

15. The issuance of the Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

16. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

17. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

18. The Issuer shall comply with all yield restrictions on Bond proceeds as set forth in the Code.

19. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds

and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolution.

20. The Bonds are a fixed yield issue. No interest or other amount payable on any of the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

21. Under section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the issuer's expectations as of the issue date. In accordance therewith, the undersigned PRESIDENT and the undersigned SECRETARY of the Issuer hereby in good faith certify that the representations and covenants set forth in this Tax Compliance Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Bonds.

22. To the best of our knowledge, information and belief there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

23. Goodwin & Goodwin, LLP, is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

24. Notwithstanding any other provision hereof, any provision of this Tax Compliance Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Bonds from gross income of the recipients thereof for federal income tax purposes.

25. To the best of our knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS our signatures as of the 5th day of November, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: James R. Piccirillo
President

By: Dr. Kathy Kidder Wilkerson
Secretary

EXHIBIT A

INFORMATION FOR PURPOSES OF IRS FORM 8038-G

(a)	Issuer's employee identification number	55-6000303
(b)	Report number	2012-1
(c)	Date of issue	11/5/12
(d)	CUSIP number (last maturity)	112511 CV 0
(e)	Issue price of the Bonds (for Form 8038-G purposes only – excludes accrued interest)	$4,241,304.85
(f)	Final maturity date	5/01/16
(g)	Stated redemption price at maturity	$4,075,000
(h)	Weighted average maturity of bonds	1.6722 years
(i)	Yield on bonds	0.5146%
(j)	Proceeds used for accrued interest	$0
(k)	Proceeds used for bond issuance costs (including Underwriter's discount)	$131,835.41
(l)	Proceeds used for credit enhancement	$ -0-
(m)	Proceeds allocated to reasonably required reserve or replacement fund	$ -0-
(n)	Proceeds used to currently refund prior issues	$4,109,469.44
(o)	Proceeds used to advance refund prior issues	$0
(p)	Nonrefunding proceeds of the Bonds	$ -0-

(q) Remaining weighted average maturity of the Bonds to be currently refunded ..... 2.0498 years

(r) Remaining weighted average maturity of the Bonds to be advance refunded .....-0- years

(s) Last date on which refunded bonds will be called 11/15/12

(t) Date on which refunded bonds were issued 3/27/01

(u) Amount of state volume cap ..... $ -0-

(v) Amount of Bonds designated by Issuer under §265(b)(3)(B)(i)(III) $4,075,000

(w) Amount of Gross Proceeds invested or to be invested in a guaranteed investment contract ..... $ -0-

EXHIBIT B

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

UNDERWRITER'S CERTIFICATE

The undersigned Marie L. Prezioso, Senior Vice President of Piper Jaffray & Co., (the "Underwriter"), for and on behalf of the Underwriter, as purchasers of the above-captioned Bonds (the "Bonds"), hereby certifies that:

1. At least 10% of each maturity of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement (hereinafter the "Bond Purchase Agreement"), dated October 15, 2012, between The Board of Education of the County of Brooke, West Virginia (the "Issuer") and the Underwriter, at initial offering prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated October 15, 2012, relating to the Bonds. We have made a bona fide public offering of all Bonds at the public offering price. At the time we agreed to purchase the Bonds, based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields, shown on the cover of the Official Statement.

2. The weighted average maturity of the Bonds is 1.6722 years.

3. The remaining weighted average maturity of the Prior Bonds is 2.0498 years.

4. As calculated by the Underwriter and as verified by Grant Thornton LLP, as verification agent, the yield on the Bonds is 0.5146%. The computations provided in sections 2-4 above are provided for informational purposes and are based on our understanding of directions that we have received from bond counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by bond counsel.

5. This certificate may be relied upon by the Issuer with respect to its Tax and Non-Arbitrage Certificate relating to the Bonds and by Goodwin & Goodwin, LLP, Bond Counsel, in rendering its tax opinion with respect to the Bonds; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code.

WITNESS my signature as of the 5th day of November, 2012.

PIPER JAFFRAY & CO.

By: _____
Senior Vice President

$4,075,000 THE BOARD OF EDUCATION OF
THE COUNTY OF BROOKE (WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

CERTIFICATE OF THE CHAIRMAN OF THE WV MUNICIPAL BOND COMMISSION

I, the undersigned, Craig Griffith, hereby certify as follows:

1. I am the duly appointed Tax Commissioner, and ex officio the Chairman of the West Virginia Municipal Bond Commission.

2. This certificate is delivered in response to a letter request, dated October 16, 2012, from The Brooke County Board of Education, West Virginia, and pursuant to Chapter 13, Article 2, Section 1, of the Code of West Virginia, 1931, as amended.

3. According to the information provided to the Commission, on or about November 5, 2012, the Brooke County Board of Education will issue its Series 2012 Public School Refunding Bonds, dated November 5, 2012, in the principal amount of $4,075,000, with interest rates of 3.00%. This issue will refund its Series 2001 Public School Bonds, dated March 1, 2001, with remaining principal outstanding of $5,170,000 and interest rates of 4.50 to 5.00%.

4. The amount of taxes expected to be available in each year for the purpose of paying debt service on the Series 2012 Refunding Bonds, and the projected debt service of those bonds are as follows:

Tax Year Beginning July 1	Taxes Available	Projected Debt Service
2012	1,725,784	1,249,766.67
2013	1,725,784	1,376,550.00
2014	1,725,784	1,377,850.00
2015	1,725,784	272,950.00
		$4,277,116.67

5. The total debt service on the Series 2012 Refunding Bonds will be $4,277,116.67 or $1,405,173.33 less than the remaining debt service on the Series

2001 Bonds. The debt service due each year on the Series 2012 Refunding Bonds does not exceed the taxes expected to be available for the payment of the same, and the total debt service does not exceed the total remaining authorized levy of $9,252,202.97.

WITNESS my signature this 19th day of October 2012.

State Tax Commissioner and ex officio,
Chairman, WV Municipal Bond Commission

Brooke County Schools

1201 Pleasant Avenue, Wellsburg, WV 26070 Phone (304) 737-3481 / Fax (304) 737-3480

BOARD OF EDUCATION:
James R. Piccirillo, President
Brian L. Ferguson, Vice-President
Frank A. Ujcich, Member
James F. Lazear, Member
Chad D. Haught, Member

www.edline.net/pages/BrookeCountySchools

"Build a Better Brooke"

Dr. Kathy Kidder-Wilkerson
Superintendent

Martin J. Bartz, Jr.
Assistant Superintendent

October 16, 2012

$4,075,000 The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Craig A. Griffith, Esquire, Chairman
West Virginia Municipal Bond Commission
900 Pennsylvania Ave., Suite 1117
Charleston, WV 25302

Dear Mr. Griffith:

As evidenced by and in accordance with the attached Resolution and Order (the "Resolution"), the Board of Education of the County of Brooke (the "Board") intends to issue the above-referenced bonds (the "Refunding Bonds") for the purpose of refunding the Board's Public School Bonds, Series 2001, dated March 27, 2001 (the "Prior Bonds"). The Prior Bonds financed the construction of new public school facilities and improvements to existing public school facilities in the Brooke County School District the ("District") pursuant to the authority of a bond election held on November 7, 2000 (the "2000 Bond Referendum"). In accordance with Section 1, Article 2, Chapter 13, of the West Virginia Code of 1931, as amended (the "Refunding Act"), the Board hereby requests that you certify the amount of taxes expected to be available in each year for the payment of debt service on the Refunding Bonds. In accordance with the Refunding Act, the amount of taxes expected to be available in each year shall be based upon the rates of levy stipulated in the order (the "Order") directing the 2000 Bond Referendum and upon the most recent assessed valuation of the affected property prior to such election.

The average rates of levy stipulated in the Order, for each $100 valuation, were as follows:

Upon Class I property, approximately.....10.19 cents
Upon Class II property, approximately.....20.38 cents
Upon Class III property, approximately .....40.76 cents
Upon Class IV property, approximately.....40.76 cents

The assessed valuation of the affected property contained in the Order was as follows:

Class I	$ 36,525,941
Class II	200,868,438
Class III	98,329,084
Class IV	266,395,508
TOTAL	$602,118,971

The Prior Bonds will be paid with the proceeds of the Refunding Bonds. Thus, after the refunding there will be no Prior Bonds issued and outstanding but not refunded or otherwise legally defeased. The debt service requirements on the Refunding Bonds are set forth in Schedule A, attached hereto. The Board will have no bonds outstanding aside from the Refunding Bonds.

Respectfully yours,

THE BOARD OF EDUCATION OF THE
COUNTY OF BROOKE

By: Dr. Kathy Kidd-Nickerson
Superintendent

cc: William K. Bragg, Esq.
Marie Prezioso

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

CERTIFICATE OF REGISTRAR

The undersigned David B. Ellwood, Executive Vice President, of WesBanco Bank, Inc., Wheeling, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the meanings set forth in the Resolution and Order of The Board of Education of the County of Brooke (West Virginia) (the "Issuer") adopted August 13, 2012 (the "Resolution"):

1. The Bank is a state banking corporation, duly organized and validly existing and in good standing under the laws of the State of West Virginia, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Resolution and to serve in the capacity of Registrar under the Resolution.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Resolution, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Janet L. Shelburne	Vice President	
Janet W. Kendzierski	Trust Officer	

5. The Bonds have been duly authenticated and delivered to the Purchaser, and proceeds of the Bonds have been deposited as required by the Resolution.

6. Attached hereto as EXHIBIT A is a correct listing of the Bond numbers, CUSIP numbers, principal amounts, maturity dates and interest rates of the Bonds.

IN WITNESS WHEREOF, WesBanco Bank, Inc. has caused this Certificate to be executed by a duly authorized officer as of the 5th day of November, 2012.

WESBANCO BANK, INC.

By: _____

Its: Executive Vice President

SCHEDULE A

$4,075,000
The Board of Education of the County of Brooke
(West Virginia)
Public School Refunding Bonds, Series 2012

BOND NO.	CUSIP	Maturity Date (May 1)	Principal Amount	Interest Rate
R-1	112511 CS 7	2013	$1,190,000	3.00%
R-2	112511 CT 5	2014	1,290,000	3.00
R-3	112511 CU 2	2015	1,330,000	3.00
R-4	112511 CV 0	2016	265,000	3.00

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

CERTIFICATE OF PAYING AGENT AND ESCROW AGENT

The undersigned SARA ROGERS, Executive Director of the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Bond Commission"), hereby certifies as follows:

1. I am the duly appointed Executive Director of the Bond Commission.

2. The Bond Commission has duly authorized, by all necessary action, the acceptance of all duties of the Paying Agent for the above-captioned Bonds (the "Bonds") under the Resolution and Order pursuant to which they were issued, and of Escrow Agent under the Escrow Agreement dated as of November 5, 2012, between The Board of Education of The County of Brooke (West Virginia) (the "Issuer") and the Bond Commission (the "Escrow Agreement").

3. As Executive Director, I am duly authorized to execute and deliver on behalf of the Bond Commission the Escrow Agreement.

4. By such execution and delivery of the Escrow Agreement and this Certificate, the Bond Commission evidenced its acceptance of, and hereby accepts the duties of Paying Agent for the Bonds and Escrow Agent as set forth in the Escrow Agreement and as required by Chapter 13, Article 2 of the West Virginia Code of 1931, as amended.

5. Pursuant to the Escrow Agreement, as of this day there is on deposit in the Escrow Fund established pursuant to the Escrow Agreement, cash in the sum of $5,179,469.44, which will remain uninvested in the Escrow Fund to pay, when due, the principal of and interest on the Issuer's Public School Bonds, Series 2001, all as set forth in the Escrow Agreement.

WITNESS my signature as of the 5th day of November, 2012.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Sara Rogers, Executive Director

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

UNDERWRITER'S CERTIFICATE

The undersigned Marie L. Prezioso, Senior Vice President of Piper Jaffray & Co. (the "Underwriter"), for and on behalf of the Underwriter, as purchaser of the above-captioned Bonds (the "Bonds"), hereby certifies that:

1. At least 10% of each maturity of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement (hereinafter the "Bond Purchase Agreement"), dated October 15, 2012, between The Board of Education of the County of Brooke, West Virginia (the "Issuer") and the Underwriter, at initial offering prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated October 15, 2012, relating to the Bonds. We have made a bona fide public offering of all Bonds at the public offering price. At the time we agreed to purchase the Bonds, based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields shown on the cover of the Official Statement.

2. The weighted average maturity of the Bonds is 1.6722 years.

3. The remaining weighted average maturity of the Prior Bonds (from the date hereof) is 2.0498 years.

4. As calculated by the Underwriter and as verified by Grant Thornton LLP, as verification agent, the yield on the Bonds is 0.5146%. The computations provided in sections 2-4 above are provided for informational purposes and are based on our understanding of directions that we have received from bond counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by bond counsel.

5. This certificate may be relied upon by the Issuer with respect to its Tax and Non-Arbitrage Certificate relating to the Bonds and by Goodwin & Goodwin, LLP, Bond Counsel, in rendering its tax opinion with respect to the Bonds; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code.

WITNESS my signature as of the 5th day of November, 2012.

PIPER JAFFRAY & CO.

By: _____
Senior Vice President

Brooke County Schools

1201 Pleasant Avenue, Wellsburg, WV 26070 Phone (304) 737-3481 / Fax (304) 737-3480

BOARD OF EDUCATION:
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James F. Lazear, Member
Chad D. Haught, Member

www.edline.net/pages/BrookeCountySchools

"Build a Better Brooke"

Dr. Kathy Kidder-Wilkerson
Superintendent

Martin J. Bartz, Jr.
Assistant Superintendent

October 30, 2012

$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds")

Ms. Sara Rogers
Executive Director
West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25302

Dear Ms. Rogers:

As Superintendent for the Brooke County Board of Education (the "Board"), I wish to advise you that on November 5, 2012 (the "Settlement Date"), we will be closing on the above referenced bond issue. On November 15, 2012, proceeds of the Series 2012 Bonds and other funds will be used to currently refund and legally defease our Public School Bonds, Series 2001 (the "Series 2001 Bonds"), dated March 1, 2001.

On the Settlement Date, Piper Jaffray & Co. will wire in immediately available funds to the West Virginia Municipal Bond Commission (the "Bond Commission") in the amount of $4,109,469.44, which amount should be deposited in the Escrow Fund established under the Escrow Agreement. The Bond Commission will need to transfer $746,581.62 from the Series 2001 Surplus Account to the Escrow Fund. On October 25, 2012, the Board deposited $323,418.38 into the Escrow Fund from the Series 2001 Bond Account. These three deposits total $5,179,469.44, which is sufficient to call the Series 2001 Bonds on November 15, 2012.

All funds on deposit with the Bond Commission (less any fees payable to the Bond Commission and after the transfer of the $746,613.26 to the Escrow Fund) established for the Series 2001 Bonds, are to be transferred on the Settlement Date, or as soon thereafter as possible, as follows:

- $350,000 to the Surplus Collections Account for the Series 2012 Bonds and thereupon applied in accordance with the regulations and policies of the Bond Commission;

- $323,418.38 to the Board and applied solely to payment of costs of capital improvements, repairs or replacements for facilities, which were specified in the bond referendum approved by the voters in November 2000;
- All remaining funds shall be transferred to the Series 2012 Debt Service Account.

For Fiscal Year 2013, the Board levied taxes for $1,443,500 to pay debt service on the Series 2001 Bonds. The November 1, 2012 interest payment for the Series 2001 Bonds is $121,750, and the May 1, 2013 principal and interest payment on the Series 2012 Bonds is $1,249,766.67. Hence, the Total debt service for Fiscal Year 2013 is $1,371,516.67.

If you have any questions, please let me know.

Sincerely,

Kathy Kidder-Wilkerson
Superintendent

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

JOINT CERTIFICATE OF ISSUER AND ESCROW AGENT

The undersigned James R. Piccirillo, President of the Board of Education of the County of Brooke, a public corporation of the State of West Virginia (the "Issuer"), and the undersigned Sara Rogers, Executive Director of the West Virginia Municipal Bond Commission (the "Escrow Agent"), hereby jointly certify as follows in connection with the above-captioned Bond issue:

1. We have executed the Escrow Agreement between the Issuer and the Escrow Agent, dated as of November 5, 2012 (the "Escrow Agreement"), on behalf of the Issuer and the Escrow Agent, respectively.

2. The Escrow Agent has the authority to act as Escrow Agent for and in connection with the Issuer's Public School Bonds, Series 2001 (the "Prior Bonds"), and has the requisite powers to carry out its duties under the Escrow Agreement, and the Escrow Agreement has been duly and validly authorized, executed and delivered by the Escrow Agent, and assuming due authorization, execution and delivery thereof by the Issuer, the Escrow Agreement constitutes a valid and legally binding obligation of the Escrow Agent, enforceable in accordance with its terms.

3. The funds on deposit in the Escrow Fund established by the Escrow Agreement have been invested as provided in the Escrow Agreement.

4. The invested funds are shown by the Exhibits to the Escrow Agreement to be in amounts sufficient to fully pay the Prior Bonds described in the Escrow Agreement, including payment of the principal of, and interest on, the Prior Bonds on their respective maturity dates, and the lien of the Prior Bonds and the ordinances, orders and resolutions pursuant to which the Prior Bonds were issued have been discharged.

WITNESS our signatures as of the November 5, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: _____
President

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Executive Director

WEST VIRGINIA MUNICIPAL BOND COMMISSION

Notice of TOTAL Redemption - Conditional

To the Holders of

$15,000,000

The Board of Education of the County of Brooke
(West Virginia)
Public School Bonds, Series 2001

Dated: March 1, 2001

MATURITY DATE	PRINCIPAL	RATE	CUSIP
05/01/2013	$1,200,000	4.50%	112511 CN 8
05/01/2014	$1,260,000	4.60%	112511 CP 3
05/01/2015	$1,320,000	4.70%	112511 CQ 1
05/01/2016	$1,390,000	5.00%	112511 CR 9

Pursuant to the provisions of the Resolution and Order directing Issuance of Bonds [Public School Bonds, Series 2001], ALL of the above-referenced bonds are hereby called for redemption at 100%, plus accrued interest, on November 15, 2012.

SUCH REDEMPTION IS CONDITIONAL UPON SETTLEMENT AND TO THE DEPOSIT WITH THE PAYING AGENT OF MONIES SUFFICIENT TO EFFECT SUCH REDEMPTION NOT LATER THAN THE OPENING OF BUSINESS ON NOVEMBER 6, 2012. THIS NOTICE WILL BE OF NO EFFECT UNLESS SUCH MONIES ARE TIMELY DEPOSITED.

The Depository Trust Company is hereby directed to **forward** all global certificates dated March 1, 2001.

No representation is made as to the correctness of the CUSIP number on the bonds in this notice.

By: West Virginia Municipal Bond
Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25302

Dated: **October 16, 2012**

Bill Bragg

From: Bill Bragg
Sent: Monday, October 15, 2012 2:53 PM
To: 'Boardman, Sara L'; Sara Rogers
Cc: 'Prezioso, Marie'; 'Shelburne, Jan'; jhervey@access.k12.wv.us
Subject: Brooke Co. Bd. of Ed.

Sara,

The Brooke Co. Bd. of Ed. pricing was concluded earlier this afternoon. Both the Issuer and the Underwriter have approved and signed the Bond Purchase Agreement.

Please take the steps necessary to issue the redemption notice that I sent to you last week. It can be issued today, but in no event, no later than tomorrow.

Please confirm to us when the notice has been issued. Thanks.

Bill

-----Original Message-----
From: Bill Bragg
Sent: Friday, October 12, 2012 10:18 AM
To: 'Boardman, Sara L'; Sara Rogers
Cc: 'Prezioso, Marie'
Subject: Brooke Co. Bd. of Ed.

Sara,

Marie Prezioso and I are working on a refunding for the 2001 Brooke Co. Bd. of Ed. Pub. Sch. bond issue. It is scheduled to be priced on Monday. Tentative closing schedule is a 11/1 pre-closing and 11/5 closing. I have prepared and attached a conditional call notice for your review and delivery next week.

I look forward to working with you again.

Bill

ESCROW AGREEMENT

By and Between

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA), as Issuer,

and

WEST VIRGINIA MUNICIPAL BOND COMMISSION, as Escrow Agent

Dated as of November 5, 2012

BROOKE COUNTY BOARD OF EDUCATION

ESCROW AGREEMENT

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EXHIBIT A - VERIFICATION REPORT A-1

ESCROW AGREEMENT

This ESCROW AGREEMENT, made and entered into as of November 5, 2012, by and between THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (WEST VIRGINIA) (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION, as Escrow Agent (the "Commission" or the "Escrow Agent").

WITNESSETH THAT:

WHEREAS, on March 27, 2001, the Issuer issued its Public School Bonds, Series 2001, in the original aggregate principal amount of $15,000,000, of which $5,170,000 is presently outstanding (the "Prior Bonds");

WHEREAS, the Issuer has determined to issue its Public School Refunding Bonds, Series 2012 (the "Refunding Bonds"), pursuant to a Resolution and Order adopted and entered on August 13, 2012 (the "Resolution"), and contemporaneously therewith, legally defease the Prior Bonds by applying proceeds of the Refunding Bonds, together with certain moneys currently on deposit with the Escrow Agent from tax levies imposed in connection with the Prior Bonds ("Issuer's Funds"), cash in the Escrow Fund herein described;

WHEREAS, the Commission, as Escrow Agent, will cause the Refunding Bonds proceeds and Issuer's Funds, as described in the Verification Report, dated as of November 5, 2012, of Grant Thornton LLP, Minneapolis, Minnesota, a firm of independent certified public accountants, attached hereto as EXHIBIT A - VERIFICATION REPORT (the "Verification Report");

WHEREAS, the cash amount in the Escrow Fund shall pay on November 15, 2012 (the "Redemption Date"), the interest accrued on the Prior Bonds, the principal of the Prior Bonds maturing on that date, and the remaining Prior Bonds at a redemption price of 100%, being $5,179,469.44 (the "Redemption Price"), through the original final maturity date thereof, being May 1, 2016;

WHEREAS, the Issuer has found it desirable to appoint the Commission as Escrow Agent and the Commission has agreed to such appointment for the purposes of holding title, as agent for the Issuer, receiving payments, disbursing to the paying agent for the Prior Bonds, on the appropriate dates, the amounts necessary to pay the principal of and interest on the Prior Bonds as the same become due and on the Redemption Date, to pay the Redemption Price thereof, and

holding and investing and reinvesting any cash balances which may at any time not be needed for immediate disbursement; and

WHEREAS, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Resolution;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Prior Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent, to be maintained in a separate and discrete deposit account, an irrevocable trust fund to be known as the Escrow Fund, to be held in the custody of the Escrow Agent, separate and apart from all other funds of the Issuer and the Escrow Agent. The deposit of moneys in the Escrow Fund shall constitute an irrevocable deposit of said moneys in trust for, and such moneys, together with any income or interest earned thereon, shall be applied, except as otherwise provided herein, solely to the payment of the principal of and interest on the Prior Bonds and on the Redemption Date, to pay the Redemption Price thereof, all in accordance with paragraph 4 hereof.

2. Creation of Surplus Account. In addition to the Escrow Fund, there is hereby created and established with the Commission a special account separate and apart from the Escrow Fund, hereby designated the "Surplus Account."

3. Deposits to Escrow Fund. Concurrently with the delivery of the Refunding Bonds, the Issuer and the Escrow Agent shall cause Refunding Bonds proceeds in the amount of $4,109,469.44, plus a cash transfer in the amount of $1,070,000.00 from the Issuer's funds on deposit with the Escrow Agent, to be deposited in the Escrow Fund, and thereupon the Escrow Agent shall hold $5,179,469.44 as cash, uninvested, in the Escrow Fund. The uninvested cash in the Escrow Fund shall be applied solely to the payment, when due, of the principal of and interest on the Prior Bonds and on the Redemption Date, to pay the Redemption Price thereof. Grant Thornton LLP has certified, in its Verification Report, attached hereto as EXHIBIT A, that the uninvested cash in the Escrow Fund will be sufficient to pay, when due, the principal of and interest on the Prior Bonds and to pay the Redemption Price on the Redemption Date.

4. Application of Escrow Fund. The Escrow Agent, without further authorization from the Issuer, shall transfer from the Escrow Fund and deposit directly with the paying agent for the Prior Bonds, in immediately available funds on November 15, 2012, the amount sufficient to pay the principal of and interest on the Prior Bonds.

5. Purposes and Powers. Moneys in the Escrow Fund shall, and the Escrow Agent agrees such moneys will be used solely for the purpose as above described, and the deposit of such moneys into the Escrow Fund shall be irrevocable, and the Escrow Agent shall have received (a) the written request of the Issuer setting forth the procedures to be followed, and (b) the Verification Report stating that the cash balance that is being held uninvested will be sufficient to make the payments described in the first paragraph of this Section 4. Subject to the foregoing requirements for the use of the Escrow Fund and the moneys therein, the Issuer covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to the Escrow Fund and moneys therein and that the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the moneys therein.

6. Deposit to 2012 Surplus Account. Concurrently with the issuance of the Refunding Bonds, (i) all moneys on deposit in the 2001 Debt Service Account and the 2001 Surplus Account, less any Commission fees, shall be transferred as follows: (i) $350,000.00 shall be deposited into the 2012 Surplus Account; (ii) $323,418.38 shall be returned to the Issuer; and (iii) any remaining funds and interest earnings shall be transferred to the 2012 Debt Service Account.

7. Balances in 2012 Surplus Account. The moneys then remaining in the Surplus Account shall be available, if needed, to pay the principal of and interest on the Refunding Bonds coming due on May 1, 2013, and thereafter, as set forth below, and shall not be used for any other purpose until May 1, 2013. On or after May 1, 2013, the Issuer shall review the balances in the Debt Service Account for the Refunding Bonds and in the Surplus Account, and, upon determination in writing by the Issuer that sufficient reserves are on hand at the Bond Commission, the Issuer may withdraw all or a portion of the funds then remaining in the Surplus Account. All such funds withdrawn from the Surplus Account shall be applied solely by the Board to payment or repayment of costs of capital improvements, repairs or replacements for school facilities in Brooke County, West Virginia, which were specified in the bond referendum approved by the voters of Brooke County, West Virginia on November 7, 2000. Each withdrawal request of the Board shall be

specifically authorized by resolution of the Board. The Surplus Account shall be closed by the Commission when all the funds therein have been withdrawn or used to pay debt service as provided in this section.

8. Lien of Prior Bonds. The holders of the Prior Bonds shall have an express lien on all moneys in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

9. Termination of this Escrow Agreement. This Escrow Agreement shall terminate when the Prior Bonds have been discharged and cancelled in accordance with the provisions hereof. If any Prior Bonds are not presented for payment when due and payable, the nonpayment thereof shall not prevent the termination of this Escrow Agreement; funds for the payment of any non-presented Prior Bonds hereby shall, upon termination of this Escrow Agreement, be held by the Escrow Agent in accordance with the terms hereof. Any money held in the Escrow Fund at termination and not required for the payment of the principal of and interest on any of the Prior Bonds shall be paid or transferred to the Issuer, or to a third party at the Issuer's written direction, pursuant to the terms hereof.

10. Escrow Agent's Fees. The Issuer agrees to pay the Escrow Agent's reasonable and customary administrative fees and to reimburse the Escrow Agent for its reasonable and customary out-of-pocket expenses and reasonable fees of counsel incurred in connection with the discharge by the Escrow Agent of its duties and responsibilities under this Escrow Agreement. The Escrow Agent expressly waives any lien upon or claim against the moneys in the Escrow Fund. Under no circumstances shall the Escrow Agent have a lien on the Escrow Fund for any charges, fees or expenses, and under no circumstances shall the Escrow Agent make any claim against the Escrow Fund for any charges, fees or expenses. Earnings from proceeds described in Section 8 above may be used to pay Escrow Agent fees and fees for the paying agent for the Prior Bonds. To the extent such earnings are insufficient for such purposes, the Issuer will pay all Escrow Agent fees and fees of the paying agent for the Prior Bonds.

11. Beneficiaries of this Escrow Agreement. This Escrow Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Escrow Agent and their respective successors and assigns, subject to the provisions of this Escrow Agreement. In addition, this Escrow Agreement shall constitute a third party beneficiary contract for the benefit of the registered owners of the Prior Bonds. Said third party beneficiaries shall be entitled to enforce performance and observance by

the Issuer and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if such third party beneficiaries were parties hereto. In the event the Escrow Agent is unwilling or unable to continue to serve as Escrow Agent, a successor Escrow Agent may be appointed by the Issuer which shall be any national banking association or any state bank within the State of West Virginia that is an institution insured by the Federal Deposit Insurance Corporation and which has trust powers. Any bank into which such successor Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, unless the Issuer disapproves in writing, be the successor Escrow Agent without the execution of any document or the performance of any further act. In the event the Issuer disapproves of the successor Escrow Agent resulting from any of the events described above, the Issuer shall immediately appoint any state bank or national banking association within the State of West Virginia which is an institution insured by the Federal Deposit Insurance Corporation and which has trust powers to be the successor Escrow Agent, whereupon such successor Escrow Agent shall immediately succeed to the respective agreements and covenants hereunder.

12. Insufficient Moneys in the Escrow Fund. The Escrow Agent shall immediately notify the Issuer by registered, first-class mail, postage prepaid, whenever, for any reason, the funds or accounts created pursuant to this Escrow Agreement will be insufficient to pay the principal of and interest on the Prior Bonds as required by the first paragraph of Section 4 hereof. The Issuer shall promptly remit from legally available funds the amount of such insufficiency to the Escrow Agent.

13. Examination of Records; Obligations and Responsibilities of Escrow Agent.

(a) The Issuer shall have the right, at any time, to examine all of the Escrow Agent's records regarding the status of the funds or accounts created pursuant to this Escrow Agreement, and the details of all income, investments, redemptions and withdrawals therefrom with respect to the funds or accounts created pursuant to this Escrow Agreement. After the Prior Bonds have

been paid in full, the Issuer shall obtain all records and files relating to this Escrow Agreement from the Escrow Agent. The Issuer shall keep all of such records and files available for inspection for six years from such date the Prior Bonds have been paid in full.

(b) The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Issuer of any obligation, or to protect any of the Issuer's rights under any bond resolution or any of said Issuer's other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any corporation or individual; and the Escrow Agent shall not be liable for any act done or step taken or omitted by the Escrow Agent or any mistake of fact or law or for anything which the Escrow Agent may do or refrain from doing, except for its negligence or its willful default in the performance of any obligation imposed upon the Escrow Agent hereunder. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Prior Bonds or any proceedings taken in connection therewith, as they are made solely by the Issuer.

14. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

15. Successors and Assigns. All of the covenants, promises and agreements in this Escrow Agreement contained by or on behalf of the Issuer or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether or not so expressed.

16. Governing Law. This Escrow Agreement shall be governed by the applicable law of the State of West Virginia.

17. Headings. Any headings preceding the text of the several Sections hereof shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

18. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

19. Notices. Unless otherwise required herein, any notices, requests, complaints, demands, communications or other papers shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, telecopy or telex (or telephone to the extent permitted hereunder), addressed to the parties as follows:

The Issuer:	The Board of Education of the County of Brooke 1201 Pleasant Avenue Wellsburg, WV 26070
The Escrow Agent:	West Virginia Municipal Bond Commission 900 Pennsylvania Avenue, Suite 1117 Charleston, West Virginia 25302

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Agreement to be executed by their duly authorized officers as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: _____
President

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Executive Director

EXHIBIT A - VERIFICATION REPORT

[Included as Transcript Document No. 15]

Cash Flow Verification Report

The Board of Education of the County of Brooke (West Virginia)

November 5, 2012

Contents

Letter	
Exhibit A	Schedule of Sources and Uses of Funds
Exhibit B	Escrow Account Cash Flow
Exhibit B-1	Debt Service Payment on the Refunded Bonds
Appendix I	Applicable schedules provided by Piper Jaffray & Co.

Grant Thornton

Audit • Tax • Advisory
Grant Thornton LLP
200 S 6th Street, Suite 500
Minneapolis, MN 55402-1459

T 612.332.0001
F 612.332.8361
www.GrantThornton.com

Report of Independent Certified Public Accountants
On Applying Agreed-Upon Procedures

The Board of Education of the County of Brooke
1201 Pleasant Avenue
Wellsburg, West Virginia

Goodwin & Goodwin, LLP
300 Summers Street, Suite 1500
Charleston, West Virginia

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, West Virginia

$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012
Dated November 5, 2012

We have performed the procedures described in this report, which were agreed to by The Board of Education of the County of Brooke (West Virginia) (the "Board") and Piper Jaffray & Co. (the "Underwriter"), to verify the mathematical accuracy of certain computations contained in the schedules attached in Appendix I provided by the Underwriter. The Underwriter is responsible for these schedules. These procedures were performed solely to assist you in the issuance of the above-captioned bond issue (the "Bonds") for the purpose of current refunding the Board's outstanding Public School Bonds, Series 2001 (the "Refunded Bonds") as summarized on the next page. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the addressees of this report who are the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in this report either for the purpose for which this report has been requested or for any other purpose.

Series	Principal Issued	Dated	Principal Refunded	Maturities Refunded	Redemption Date	Redemption Price
2001	$15,000,000	March 1, 2001	$5,170,000	5-1-13 to 5-1-16	11-15-12	100%

VERIFICATION OF ESCROW ACCOUNT CASH FLOW SUFFICIENCY

The Underwriter provided us with schedules (Appendix I) summarizing the future escrow account cash deposit and disbursement. These schedules indicate that there will be sufficient cash available in the escrow account to pay the principal and interest on the Refunded Bonds assuming the Refunded Bonds will be redeemed on November 15, 2012 at 100 percent of par plus accrued interest.

The attached Exhibit A (Schedule of Sources and Uses of Funds) was compiled based upon information provided by the Underwriter.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B and B-1 independently calculating the future escrow account cash deposit and disbursement and compared the information used in our calculations to the information listed below contained in applicable pages of the following document:

- Official Statement for the Refunded Bonds provided by the Underwriter insofar as the Refunded Bonds are described as to the maturity and interest payment dates, principal amounts, interest rates and optional redemption date and price.

Our procedures, as summarized in Exhibits B and B-1, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the future escrow account cash deposit and disbursement. The schedules provided by the Underwriter and those prepared by us reflect that the cash deposit of $5,179,469.44 to be deposited into the escrow account on November 5, 2012, will be sufficient to pay, when due, the principal and interest related to the Refunded Bonds assuming the Refunded Bonds will be redeemed on November 15, 2012 at 100 percent of par plus accrued interest.

* * * * * *

We were not engaged to, and did not, perform an examination or a review in accordance with attestation standards established by the American Institute of Certified Public Accountants, the objective of which would be the expression of an examination opinion or limited assurance on the items referred to above. Accordingly we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of those to whom this letter is addressed and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Minneapolis, Minnesota
November 5, 2012

Exhibit A

The Board of Education of the
County of Brooke (West Virginia)

SCHEDULE OF SOURCES AND USES OF FUNDS

November 5, 2012

SOURCES:	
Principal amount of the Bonds	$4,075,000.00
Net original issue premium	166,304.85
Transfer from Series 2001 Bond Account	323,386.74
Transfer from Funds at MBC	746,613.26
	$5,311,304.85
USES:	
Cash deposit to escrow account	$5,179,469.44
Costs of issuance	76,460.41
Underwriter's discount	55,375.00
	$5,311,304.85

Exhibit B

The Board of Education of the County of Brooke (West Virginia)

ESCROW ACCOUNT CASH FLOW

Date	Debt service payment on Refunded Bonds (Exhibit B-1)	Cash balance
Cash deposit on November 5, 2012		$5,179,469.44
11-15-12	$5,179,469.44	0.00
	$5,179,469.44	

Exhibit B-1

The Board of Education of the County of Brooke (West Virginia)

DEBT SERVICE PAYMENT ON THE REFUNDED BONDS

Date	Principal	Interest rate	Interest	Debt service payment
11-15-12	$5,170,000	(1)	$9,469.44	$5,179,469.44

(1) Actual maturity dates, principal amounts and interest rates are as follows:

Maturity date	Principal amount	Interest rate
05-01-13	$1,200,000	4.500%
05-01-14	1,260,000	4.600%
05-01-15	1,320,000	4.700%
05-01-16	1,390,000	5.000%
	$5,170,000	

APPENDIX I

Applicable schedules provided by Piper Jaffray & Co.

SOURCES AND USES OF FUNDS

The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Dated Date	11/05/2012
Delivery Date	11/05/2012

Sources:	
Bond Proceeds:	
Par Amount	4,075,000.00
Premium	166,304.85
	4,241,304.85
Other Sources of Funds:	
Transfer from Series 2001 Bond Account	323,386.74
Transfer from Funds at MBC	746,613.26
	1,070,000.00
	5,311,304.85

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	5,179,469.44
Cost of Issuance:	
Bond Counsel	30,000.00
Underwriter's Counsel	28,000.00
Rating Agency (S&P)	9,000.00
Verification Agent	2,000.00
Official Statement Printing	2,000.00
Registrar / Paying Agent	1,250.00
Arbitrage Opinion	2,000.00
CUSIP Assignment	250.00
Miscellaneous	1,960.41
	76,460.41
Delivery Date Expenses:	
Underwriter's Discount	55,375.00
	5,311,304.85

Notes:
FINAL
Based on market conditions as of October 15, 2012.
'AA' rated by Standard & Poor's.

ESCROW REQUIREMENTS

The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Period Ending	Interest	Principal Redeemed	Total
11/15/2012	9,469.44	5,170,000.00	5,179,469.44
	9,469.44	5,170,000.00	5,179,469.44

Notes:
FINAL
Based on market conditions as of October 15, 2012.
'AA' rated by Standard & Poor's.

SUMMARY OF BONDS REFUNDED

The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2001:					
SERIAL	05/01/2013	4.500%	1,200,000.00	11/15/2012	100.000
	05/01/2014	4.600%	1,260,000.00	11/15/2012	100.000
	05/01/2015	4.700%	1,320,000.00	11/15/2012	100.000
	05/01/2016	5.000%	1,390,000.00	11/15/2012	100.000
			5,170,000.00		

Notes:
FINAL
Based on market conditions as of October 15, 2012.
'AA' rated by Standard & Poor's.

$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

BOND PURCHASE AGREEMENT

October 15, 2012

Brooke County Board of Education
1201 Pleasant Avenue
Wellsburg, West Virginia 26070

Ladies and Gentlemen:

Piper Jaffray & Co. (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement with The Board of Education of the County of Brooke, West Virginia (the "Issuer") for the purchase by the Underwriter and the sale by the Issuer of its above-referenced Bonds (the "Bonds"). This offer is made subject to acceptance thereof by the Issuer prior to 3:00 p.m., prevailing time in New York, New York, on the date hereof (the "Acceptance Deadline"), and upon such acceptance, evidenced by the signature of a duly authorized officer of the Issuer, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter.

1. Defined Terms. Terms used herein and not otherwise defined shall have the meanings set forth in the Resolution.

Acceptance Deadline: The date set forth in first paragraph, being the date and time by which the Issuer must accept this Agreement.

Accountants: The West Virginia State Auditor's Office, who has conducted and prepared the audited financial statements of the Issuer included in the Preliminary Official Statement and the Official Statement.

Act: Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended.

Agreement: This Bond Purchase Agreement dated the Effective Date, including **Schedule I** attached hereto.

Bond Act: Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended.

Bond Counsel: Goodwin & Goodwin, LLP, Charleston, West Virginia.

Closing Date: November 5, 2012, being the date of the issuance and delivery of the Securities.

Continuing Disclosure Agreement: The Continuing Disclosure Agreement, dated as of the Closing Date, by and between the Issuer and WesBanco Bank, Inc., as disclosure agent, with respect to the Securities in accordance with Rule 15c2-12.

Creditors' Rights Laws: Limitations on enforceability as may result from bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution.

DTC: The Depository Trust Company.

Effective Date and Time: October 15, 2012, 4:00 p.m. (eastern prevailing time) is the date and time on which this Agreement is effective.

End of the Underwriting Period: The later of (i) the Closing Date or (ii) when the Underwriter no longer retains an unsold balance of the Securities.

Escrow Agent: The Escrow Agent for the Prior Bonds pursuant to the Escrow Agreement, which shall be The West Virginia Municipal Bond Commission, Charleston, West Virginia.

Escrow Agreement: The Escrow Agreement for the Prior Bonds, dated on or about November 5, 2012, by the between the Issuer and the Escrow Agent.

Escrow Fund: The Escrow Fund for the Prior Bonds which is established with the Escrow Agent pursuant to the Escrow Agreement.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Excluded Sections: For purposes of the representations and warranties of the Issuer set forth in Section 8(k) and the opinions of Issuer's Counsel required pursuant to Section 14, the "Excluded Sections" of the Preliminary Official Statement and the Official Statement shall be: (i) the section describing DTC and its book-entry-only procedures, (ii) the section captioned "Tax Matters", (iii) with respect to Issuer's Counsel the section entitled "Continuing Disclosure", (iv) the section captioned "Verification Agent", (v) the section captioned "Underwriting", (vi) with respect to Issuer's Counsel, the material included in Appendix A, (vii) the material included in Appendix C captioned "Proposed Form of Legal Opinion", (viii) the material included in Appendix D captioned "Book Entry Only System".

Issuer: The Board of Education of the County of Brooke, West Virginia.

Issuer Documents: All financing documents to which the Issuer is a party relating to the issuance of and security for the Securities, as such documents are amended and supplemented to the Closing Date, including, but not limited to:

(i) this Agreement,

(ii) the Resolution,
(iii) the Continuing Disclosure Agreement,
(iv) the Escrow Agreement,
(v) the Tax and Non-Arbitrage Certificate of the Issuer and
(vi) other applicable financing or operative documents to which the Issuer is a party, as such documents are amended and supplemented to the Closing Date.

Issuer's Counsel: David B. Cross, Esq., Brooke County Prosecuting Attorney, Wellsburg, West Virginia.

MSRB: Municipal Securities Rulemaking Board.

Municipal Advisor: As defined in Exchange Act §15B(e)(4) and the rules and regulations of the SEC and MSRB adopted thereunder.

Official Statement: Official Statement dated October 15, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

Paying Agent: The West Virginia Municipal Bond Commission which is acting as paying agent for the Securities.

Preliminary Official Statement: Preliminary Official Statement dated October 8, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

Prior Bonds: The Issuer's Public School Bonds, Series 2001, dated March 1, 2001, issued in the original aggregate principal amount of $15,000,000.

Primary Offering Disclosure Period: The period commencing with the first submission to an Underwriter of an order for the purchase of the Securities or the purchase of such Securities from the Issuer, whichever first occurs, and ending 25 days after the final delivery by the Issuer or its agent of all Securities to or through the underwriting syndicate.

Purchase Price: The amount specified in Section 4 as the Purchase Price to be paid by the Underwriters at the Closing for the purchase of the Securities on the Closing Date.

Registrar: WesBanco Bank, Inc., Wheeling, West Virginia, which has been appointed as Registrar for the Securities pursuant to the Resolution.

Rule 15c2-12: Rule 15c2-12 promulgated by the SEC under the Exchange Act.

Rule G-34 Documents: (i) the Resolution or any other authorizing document under which the Securities were issued; (ii) any amendments, extensions, renewals, replacements or terminations thereof; and (iii) any other document required to comply with MSRB Rule G-34(c), as it may be amended from time to time; and, in each case where required to be delivered, such

delivery shall be by electronic means in a word-searchable PDF file labeled with the following information: (a) CUSIP number; (b) name of issuer; (c) name of transaction; (d) name of document; and (e) whether the document is an execution version or a redacted version.

Resolution: The Resolution and Order adopted by the Issuer, dated August 13, 2012.

SEC: Securities and Exchange Commission of the United States.

Securities: The Bonds identified in the first paragraph of this Agreement, as more specifically described in **Schedule I**.

Securities Act: The Securities Act of 1933, as amended.

State: West Virginia.

Trust Indenture Act: Trust Indenture Act of 1939, as amended.

Underwriter: The firm identified as such in the first paragraph of this Agreement.

Underwriter's Counsel: Spilman Thomas & Battle, PLLC, Charleston, West Virginia.

2. Offer to Purchase the Securities; Execution of Terms and Acceptance. Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriter hereby offers to purchase from the Issuer all (but not less than all) of the Securities, as more particularly described in **Schedule I**. This offer is subject to acceptance by the Issuer by the Acceptance Deadline and, if not so accepted, will be subject to withdrawal by the Underwriter by written notice delivered to the Issuer at any time prior to acceptance. The Issuer shall accept this Agreement by its execution hereof. Upon such execution, the Agreement will be binding upon the Underwriter and the Issuer. This Agreement is effective as of the Effective Date and Time.

3. Purchase of the Securities. The Underwriter shall purchase from the Issuer, and the Issuer shall sell to the Underwriter, all (but not less than all) of the Securities on the Closing Date at the aggregate Purchase Price set forth below, plus accrued interest, if any. The Securities shall bear interest at the rates per annum, mature on the dates, be sold to the public at the prices and be subject to mandatory sinking fund redemption prior to maturity and to such other terms and provisions, all as set forth in **Schedule I**. The Securities otherwise shall be as described in the Official Statement, the Resolution and the Issuer Documents. The Underwriter's agreement to purchase the Securities from the Issuer shall be the joint and several obligation of the Underwriter and is made in reliance upon the Issuer's representations, covenants and warranties and on the terms and conditions set forth in this Agreement.

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the Issuer and the Underwriter, (ii) the Underwriter has financial and other interests that differ from those of the Issuer, (iii) the Underwriter is not acting as a Municipal Advisor, financial advisor or

fiduciary to the Issuer or any other person or entity and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters), (iv) the only obligations of the Underwriter to the Issuer with respect to the transaction contemplated hereby are expressly as set forth in this Agreement and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

4. Purchase Price. The Purchase Price of the Securities is $4,185,929.85 (representing the principal amount of the Securities of $4,075,000, less an Underwriter's discount of $55,375.00, and plus original issue premium of $166,304.85). The Purchase Price shall be payable on the Closing Date by the Underwriter by wire transfer in immediately available funds to the order of Branch Banking and Trust Company, as Depository Bank (the "Depository Bank"), for the account of the West Virginia Municipal Bond Commission, as Escrow Agent. In accordance with Section 18**Error! Reference source not found.**, the Underwriter also will be reimbursed for those out-of-pocket expenses described therein.

5. Public Offering. The Underwriter agrees to make a bona fide initial public offering of all the Securities in compliance with federal and state securities laws, at a price not in excess of the initial offering price set forth in the Official Statement. The Underwriter may change the initial offering price or prices as they deem necessary in connection with the offering of the Securities without any requirement of prior notice, and may offer and sell the Securities to certain institutions at prices lower than those stated in the Official Statement. Upon the request of Bond Counsel, the Underwriter shall execute and deliver prior to the Closing an issue price certificate or similar certificate in form and substance reasonably satisfactory to Bond Counsel and the Underwriter.

6. Good Faith Deposit. No Good Faith Deposit will be delivered.

7. Official Statement.

(a) The Issuer hereby consents to and ratifies the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the public offering of the Securities by the Underwriter, and further confirms the authority of the Underwriter to use, and consents to the use of, the final Official Statement with respect to the Securities in connection with the public offering and sale of the Securities. The Issuer hereby represents and warrants that the Preliminary Official Statement previously furnished to the Underwriters was "deemed final" by the Issuer as of its date for purposes of Rule 15c2-12, except for permitted omissions.

(b) The Issuer hereby consents to and ratifies the use and distribution by the Underwriter of the Official Statement in connection with the public offering and sale of the Securities by the Underwriter.

(c) The Issuer, at its cost, shall provide, or cause to be provided, to the Underwriter

within seven business days after the date of this Agreement (or within such shorter period as may be approved by the Underwriter or required by applicable rule) such number of copies of a final Official Statement as reasonably requested by the Underwriter, but in sufficient quantity to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12, and Rule G-32 and any other applicable rules of the SEC and the MSRB.

(d) The Issuer authorizes the Underwriter to file, to the extent required by any applicable SEC or MSRB rule, and the Underwriter agrees to so file, the Official Statement with the MSRB or its designee. If an amended Official Statement is prepared during the "primary offering disclosure period," and if required by any applicable SEC or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement. The Issuer shall provide the Underwriter with the information necessary to complete MSRB Form G-32 for all filings to be made under this Section 7.

(e) The Preliminary Official Statement and the Official Statement may be delivered in printed and a "designated electronic format" as defined in the MSRB's Rule G-32 and as may be agreed by the Issuer and the Underwriter. If the Official Statement has been prepared in electronic form, the Issuer hereby confirms that it does not object to distribution of the Official Statement in electronic form.

(f) The Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter. The Issuer covenants to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period, (or such other period as may be agreed to by the Issuer and the Underwriter) any event shall occur, or information comes to the attention of the Issuer, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Underwriter such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Underwriter, at the Issuer's expense, such number of copies of the supplement or amendment to the Official Statement, in (i) a "designated electronic format" consistent with the requirements of the MSRB's Rule G-32 and (ii) a printed format in form and substance mutually agreed upon by the Issuer and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing Date, the Issuer also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

8. Representations and Warranties of Issuer. The Issuer hereby agrees with, and makes the following representations and warranties to, the Underwriter, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(a) The Issuer is duly created and existing under the constitution and laws of the State and has full legal right, power and authority under the constitution and laws of the State, including the Act, to adopt the Resolution, to execute and deliver the Issuer Documents and the Official Statement, to issue, sell and deliver the Securities as provided herein, and to carry out and to consummate the transactions contemplated by the Resolution, the Issuer Documents and the Official Statement.

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized and approved (A) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement for use by the Underwriter in connection with the public offering of the Securities, (B) the issuance and sale of the Securities upon the terms set forth herein and as contemplated by the Resolution, the Issuer Documents and the Official Statement and (C) the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Securities, the Resolution and the Issuer Documents.

(c) The Securities will be issued in conformity with and shall be entitled to the benefit and security of the Resolution and the Issuer Documents. When delivered to and paid for by the Underwriter in accordance with the terms of this Agreement, the Securities will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding general obligations of the Issuer payable from the ad valorem taxes levied upon all taxable property within the Brooke County School District (the "District") and moneys pledged therefor under the Resolution and will be entitled to the benefit of the Resolution.

(d) This Agreement constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms; the other Issuer Documents, when duly executed and delivered, will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms; and the Securities, when issued, authenticated and delivered in accordance with the Issuer Documents and sold to the Underwriter as provided herein, will be the legal, valid and binding obligations of the Issuer enforceable in accordance with their terms; in all cases, except as the enforceability of this Agreement, the other Issuer Documents and the Securities may be limited by application of Creditors' Rights Laws.

(e) The Issuer is not in breach of or default in any material respect under (if applicable) its enabling legislation or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing.

(f) The Issuer shall on or before the Closing have entered into the Escrow Agreement pursuant to which the Escrow Fund shall be created. The Escrow Fund is to be held by the Escrow Agent in trust to currently refund the Prior Bonds and to pay costs of issuance on the Bonds.

(g) The Escrow Fund is to be invested as described in the Escrow Agreement. The cash deposited in the Escrow Fund, and the income to be derived from the investment thereof shall be sufficient to refund the Prior Bonds and the liens of the resolution authorizing such bonds, all in accordance with the provisions of the Act;

(h) All financial statements of the Issuer included as a part of the Preliminary Official Statement and the Official Statement (the "Financial Statements"), fairly present the financial condition of the Issuer as of the respective dates and have been prepared when so indicated in accordance with generally accepted accounting principles consistently applied and since the respective most recent dates as of which information is given in the Preliminary Official Statement or the Official Statement, there has not been any material change in the long-term debt of the Issuer or any material adverse change in the general affairs, management, financial position, or results of the Issuer and no material transactions or obligations other than in the ordinary course of business have been entered into with respect to the Issuer, except as reflected in or contemplated by the Official Statement.

(i) The adoption, execution and delivery of the Securities, Resolution and the Issuer Documents, and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets are otherwise subject, and such adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the assets of the Issuer, except as provided by the Securities, the Resolution and the Issuer Documents.

(j) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Securities or the due performance by the Issuer of its obligations under the Resolution, the Issuer Documents and the Securities have been duly obtained or will be obtained prior to the Closing, except that the Issuer makes no representations with respect to (A) such authorizations, approvals, consents and orders, if any, as may be required under federal or state securities laws of any jurisdiction in connection with the offering and sale of the Securities and (B) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.

(k) The Preliminary Official Statement as of its date did not, and the Official Statement as of its date does not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, the Issuer makes no statement as to the Excluded Sections of the Preliminary Official Statement or the Official Statement.

(l) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer: (A) affecting the existence of the Issuer or the titles of its officers to their respective offices, (B) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Securities or the taxation of property in the District for the repayment of the Securities or the making of any other required deposits with respect to the Securities, (C) in any way contesting or affecting the validity or enforceability of, or the power or authority of the Issuer to issue, adopt or to enter into (as applicable), the Securities, the Resolution or the Issuer Documents, (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (E) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the Issuer or would result in any material adverse change in the ability of the Issuer to impose taxes upon real and personal property in the District for the repayment of the Securities or (F) contesting the status of the interest on the Securities as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement.

(m) The Issuer has received all licenses, permits or other regulatory approvals required, if any, for the imposition of real and personal property taxes upon property situate in the District and the Issuer is not in material default, and no event has occurred which would constitute or result in a material default, under any such licenses, permits or approvals.

(n) The Issuer has entered or will enter into the Continuing Disclosure Agreement and, unless otherwise described in the Official Statement or set forth below, the Issuer has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(o) The Resolution, the Issuer Documents and the Securities conform to the description thereof contained in the Official Statement.

The Issuer has the legal authority to apply proceeds of the Securities for the purposes contemplated by the Resolution and the Issuer Documents, including for the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the Securities to the extent required by this Agreement and in compliance with applicable law.

9. Covenants of the Issuer. The Issuer hereby covenants with the Underwriter that:

(a) Prior to the Closing Date, except as otherwise contemplated by the Official Statement, the Issuer shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the assets, properties, funds or interests of the Issuer.

(b) The Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without prior written notice to the Underwriter.

(c) The Issuer shall promptly advise the Underwriter by written notice of any matter arising or discovered after the date of this Agreement and prior to the Closing Date that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of a material fact regarding the Issuer contained in the Official Statement; or any developments that affect the accuracy and completeness of the key representations (within the meaning of Rule 15c2-12) regarding the Issuer contained in the Official Statement.

(d) The Issuer will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices of certain events in compliance with Rule 15c2-12. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

(e) The Issuer shall cooperate with the Underwriter in the qualification of the Securities for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Underwriter may request; provided that the Issuer shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state or to file any general or special consents to service of process under the laws of any jurisdiction.

(f) Unless the Securities are being issued as taxable Securities, the Issuer shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Securities.

10. Representations and Warranties of the Underwriter. The Underwriter hereby agrees with, and makes the following representations and warranties to, the Issuer, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(a) The Underwriter is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and authorized to do business in the State.

(b) This Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the Issuer, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Agreement may be limited by application of Creditors' Rights Laws.

(c) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

11. Third-Party Credit Enhancement or Support. No third-party credit enhancement or support facility will be provided with respect to the Securities.

12. Ratings. On the Closing Date, the Securities shall be rated "AA" by Standard & Poor's based upon the participation of the Issuer in the West Virginia Municipal Bond Program.

13. Closing.

(b) The delivery of and payment for the Securities shall be the "Closing" for the Securities and shall occur at or prior to 1:00 p.m., New York City time, on the Closing Date, or at such other time or on such other date as may be mutually agreed by the Underwriters and the Issuer.

(c) The Issuer and the Underwriter agree that there shall be a preliminary closing held at the offices of Bond Counsel in Charleston, West Virginia, commencing at least 24 hours prior to the Closing Date, or at such other time or place as the Issuer and the Underwriter shall agree.

(d) At the Closing, the Issuer shall deliver or cause to be delivered the Securities to the Registrar as DTC's FAST closing agent on behalf of the Underwriter, as further described in paragraph (e) below. The Securities shall be delivered in definitive form, duly executed by the President and Secretary of the Issuer and authenticated by the Registrar, together with the other documents identified in Section 14. Subject to satisfaction of the conditions contained in this Agreement, the Underwriter will accept delivery of the Securities as described above and pay the Purchase Price, plus accrued interest, if any, on the Securities from their dated date to, but not including, the Closing Date, in immediately available funds, payable to the order of the Depository Bank or as otherwise directed by the Issuer.

(e) Delivery of the definitive Securities shall be made to the Registrar as DTC's FAST agent with respect to DTC's book-entry-only system in New York, New York, or at such other location as may be designated by the Underwriter prior to the Closing. The Securities will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of each series of the Securities (or, if so provided in **Schedule I**, for each separate interest rate within a maturity), and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for

the Securities. Unless otherwise requested by the Underwriter, the Securities will be delivered under DTC's FAST delivery system.

(f) After execution by the Issuer and authentication by the Registrar, the Bonds shall be held in safe custody by the Registrar or any authorized agent for the Registrar. The Registrar shall release or authorize the release of the Bonds from safe custody at the Closing upon receipt of payment for the Bonds by the Escrow Agent as aforesaid.

14. Closing Conditions. The obligations of the Underwriter hereunder shall also be subject to the following additional conditions:

(a) At and as of the Closing Date, (i) the Official Statement, this Agreement and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Securities shall be deposited and applied as described in the Official Statement, and (iii) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions or orders as, in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated hereby.

(b) Receipt of the Securities, which shall have been executed and delivered by the Issuer and authenticated by the Registrar, and executed copies of the Issuer Documents at or prior to the Closing.

(c) On or prior to the Closing Date, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter and the Issuer:

(i) The unqualified approving opinions, dated as of the Closing Date, of Bond Counsel, in the form attached as Appendix C to the Official Statement accompanied by a supplementary opinion of Bond Counsel, dated as of the Closing Date, substantially in the form attached hereto as Exhibit A;

(ii) The opinion of Issuer's Counsel, dated as of the Closing Date and addressed to the Underwriter and the Issuer, substantially in the form attached hereto as Exhibit B;

(iii) The opinion of Underwriter's Counsel, dated as of the Closing Date, substantially in the form attached hereto as Exhibit C;

(iv) A certificate of the Escrow Agent dated as of the Closing Date, to the effect that (A) the Escrow Agent has the authority to act as Escrow Agent and for and in connection with the Prior Bonds and has requisite powers to carry out its duties under the Escrow Agreement; and (B) the Escrow Agreement has been duly and validly authorized, executed and delivered by the Escrow Agent, and assuming due authorization, execution and delivery thereof by the

Issuer and Paying Agent, the Escrow Agreement constitutes a valid and legally binding obligation of the Escrow Agent, enforceable in accordance with its terms;

(v) A certificate of the Issuer executed and delivered by the President, the Superintendent or any other duly authorized officer, satisfactory to the Underwriter, dated as of the Closing, to the effect that: (A) the Issuer has duly performed all of its obligations to be performed at or prior to the Closing and that each of its representations and warranties contained herein are true as of Closing, (B) it has authorized, by all necessary action the execution, delivery, receipt and due performance of the Securities, the Continuing Disclosure Agreement, the Resolution, the Escrow Agreement and all other Issuer Documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (C) to the Issuer's knowledge, no litigation is pending or threatened, to restrain or enjoin the issuance or sale of the Securities or in any way affecting any authority for or the validity of the Securities or the Resolution, (D) the execution, delivery, receipt and due performance of the Securities, the Issuer Documents and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on the part of the Issuer a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which it may be bound, (E) to the best of such officer's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement to make the statements and information therein not misleading in any material respect for the purposes for which it is to be used and (F) the Issuer is obligated by such Continuing Disclosure Agreement and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5), excepting only such matters as may be described in the Continuing Disclosure section of the Official Statement;

(vi) Verification of the arbitrage yield for the Securities and the sufficiency of the Escrow Fund obtained by refunding the Prior Bonds by Grant Thornton LLP, Minneapolis, Minnesota;

(vii) Copies of this Purchase Agreement and the Escrow Agreement executed by the parties thereto;

(viii) Executed copies of the Continuing Disclosure Agreement, in form and substance satisfactory to the Underwriter and Underwriter's Counsel;

(ix) The Resolution, certified by the Secretary under the seal of the Issuer, as having been duly adopted by the Issuer and as being in full force and effect, with only such amendments, modifications or supplements as may have been agreed to by the Underwriter;

(x) Evidence of an "AA" rating from Standard & Poor's;

(xi) The executed opinion of Bond Counsel, or if such opinion shall not be addressed to the Underwriter, a reliance opinion from Bond Counsel providing that the Underwriter may rely on the Bond Counsel Opinion;

(xii) An executed copy of Internal Revenue Service Form 8038-G;

(xiii) Evidence that the Issuer has adopted a formal post issuance policy sufficient to allow the Issuer to check boxes 43 and 44 on Form 8038-G; and

(xiv) Such additional legal opinions, certificates, proceedings, instruments and other documents as Underwriter's Counsel or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the Closing Date, of the respective representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Securities shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder, except that the respective obligations to pay expenses, as provided herein, shall continue in full force and effect.

15. Issue Price Certificate. The Underwriter shall execute and deliver on the Closing Date an issue price or similar certificate in form and substance reasonably satisfactory to the Issuer, Bond Counsel and the Underwriter.

16. Report of Verification Agent. The Issuer will deliver the report of a Verification Agent on or prior to the Closing Date which verifies the sufficiency of the deposit into the Escrow Fund under the Escrow Agreement in order to currently refund the Prior Bonds.

17. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Securities and to terminate this Agreement by written notice to the Issuer if, between the Effective Date to and including the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(a) the market price or marketability of the Securities, or the ability of the Underwriter to enforce contracts for the sale of the Securities, shall be materially adversely affected by any of the following events:

(i) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Securities, provided that this paragraph (a) (i) shall not apply if the Securities are being issued as taxable Securities; or

(ii) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Securities, the Resolution or the Issuer Documents, or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Issuer shall have occurred; or

(vi) any rating on securities of the Issuer shall have been downgraded or placed on negative watch; or

(vii) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Securities or the ability of the Underwriters to enforce contracts for the sale of the Securities; or

(viii) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(ix) a material disruption in securities settlement, payment or clearance services affecting the Securities shall have occurred; or

(x) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, Underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(xi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Securities, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Securities, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Agreement by the Underwriters, all obligations of the Issuer and the Underwriters under this Agreement shall terminate, without further liability, except that the Issuer and the Underwriters shall pay their respective expenses as set forth in Section 18 of this Agreement.

18. Payment of Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay from available funds or direct the Paying Agent under the Resolution and the Issuer Documents to pay from the proceeds of the Securities (to the extent permitted under applicable law) or from other funds of the Issuer (to the extent permitted by applicable law), all expenses that are incidental to the performance of the Issuer's obligations under this Agreement, including but not limited to: all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; all expenses in connection with the printing, issuance and delivery of the Securities; the fees and expenses of Bond Counsel and Issuer's Counsel; the fees and expenses of the Issuer's financial advisors, Accountants, any verification consultant and all other consultants; the fees and disbursements of any Trustee, any Paying Agent and any escrow agent, and their respective counsel; all expenses in connection with obtaining a rating or ratings for the Securities; all expenses of the Issuer in connection with the preparation, printing, execution and delivery, and any recording or filing, of the Resolution, any Issuer Document or any other instrument; the Issuer's administrative fees; and all other expenses and costs of the Issuer incident to its obligations in connection with the authorization, issuance, sale and distribution of the Securities. Unless the Issuer and the Underwriter otherwise agree, the Issuer shall pay for all incidental costs (including, but not limited to, transportation, lodging, meals and entertainment of Issuer personnel) incurred by or on behalf of the Issuer in connection with the marketing, issuance and delivery of the Securities.

(b) The Underwriter shall pay the costs of qualifying the Securities for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Securities and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Securities (the fees and expenses of Underwriter's Counsel shall be paid from the proceeds of the Securities).

19. Blue Sky Qualification. The Issuer agrees to cooperate with the Underwriter and its counsel in any endeavor to qualify the Securities for offering and sale under securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request. The Issuer consents to the use of the Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualification. The Issuer shall not be required to register in any jurisdiction.

20. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by certified mail or by delivering the same in writing to the Issuer at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by certified mail or by delivering the same in writing to the Underwriter at the following address:

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301

Attn: Manager of West Virginia Public Finance

Such notice addresses may be changed by providing notice to the other party pursuant to the means above described.

21. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia. To the extent allowed by law, each of the parties hereto irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of this Agreement or the transactions contemplated hereby. The Underwriter acknowledges that the Issuer cannot subject itself to the jurisdiction of courts other than courts in West Virginia.

22. Miscellaneous. This Agreement is made solely for the benefit of the signatories hereto (including the Underwriter and its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. Neither the Issuer nor the Underwriter may assign this Agreement. The term "successor" shall not include any holder of any Securities merely by virtue of such holding. All representations, warranties, agreements and indemnities contained in this Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Securities and any termination of this Agreement. Section headings have been included in this Agreement as a matter of convenience of reference only and are not to be used in the interpretation of any provisions of this Agreement. If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

23. Counterparts. This Agreement may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

24. Signatures. Upon execution by the Issuer and the Underwriter, this Agreement shall be binding upon the Issuer and the Underwriter as of the Effective Date and Time.

[Remainder of Page Intentionally Blank]

Very truly yours,

PIPER JAFFRAY & CO.

By: _____
Name: Marie L. Prezioso
Title: Senior Vice President

ACCEPTED:

ISSUER:

BOARD OF EDUCATION OF THE COUNTY
OF BROOKE

By: _____
Name: James R. Piccirillo
Title: President

ACCEPTANCE DATE AND TIME:
October 15, 2012 at _____ p.m.

Very truly yours,

PIPER JAFFRAY & CO.

By: _____
Name: Marie L. Prezioso
Title: Senior Vice President

ACCEPTED:

ISSUER:

BOARD OF EDUCATION OF THE COUNTY
OF BROOKE

By: _____
Name: James R. Piccirillo
Title: Board President

ACCEPTANCE DATE AND TIME:
October 15, 2012 at 2:15 p.m.

SCHEDULE I

BOND PRICING

$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Maturity Date	CUSIP Number	Principal Amount	Coupon	Yield	Price
5/1/2013	112511 CS7	$1,190,000	3.00%	0.30%	101.318
5/1/2014	112511 CT5	$1,290,000	3.00%	0.45%	103.779
5/1/2015	112511 CU2	$1,330,000	3.00%	0.55%	106.047
5/1/2016	112511 CV0	$265,000	3.00%	0.65%	108.093
		$4,075,000			

EXHIBIT A

[SUPPLEMENTAL BOND COUNSEL OPINION OF
GOODWIN & GOODWIN, LLP]

November 5, 2012

Brooke County Board of Education
1201 Pleasant Avenue
Wellsburg, West Virginia 26070

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301

Re: $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale of the above-referenced bonds (the "Bonds") by The Board of Education of the County of Brooke, West Virginia (the "Issuer"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality and tax-exempt status of the Bonds (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement, the Escrow Agreement and such other documents and matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings ascribed thereto in the Bond Purchase Agreement (the "Purchase Agreement") dated October 15, 2012, between the Issuer and Piper Jaffray & Co. (the "Underwriter"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

Based upon the foregoing, we are of opinion that:

(1) The Purchase Agreement has been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other party thereto, is a legal, valid, binding and enforceable obligation of the Issuer (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' rights generally and to the exercise of judicial discretion).

(2) The Issuer, under the Act, has full power and authority to adopt the Resolution, enter into the Escrow Agreement and the Purchase Agreement and perform its obligations thereunder.

(3) The Issuer has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, executed and delivered by the Issuer, and the Issuer has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the sale of the Bonds.

(4) The statements and information contained in the Official Statement under the captions or subcaptions "Introduction," "The Bonds," "Tax Matters," "Legal Matters," "Ratings," and "Appendix C" do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(6) Based on the foregoing, we are of the opinion that the Prior Bonds have been legally defeased and the covenants, agreements and other obligations of the Issuer to the holders of the Prior Bonds have been discharged and satisfied, and that such refunding will not adversely affect the excludability of the interest on the Prior Bonds or the Bonds from gross income for federal income taxation.

Very truly yours,

Goodwin & Goodwin, LLP

EXHIBIT B

[FORM OF OPINION OF COUNSEL TO ISSUER]

(LETTERHEAD OF BROOKE COUNTY PROSECUTING ATTORNEY)

November 5, 2012

Brooke County Board of Education
1201 Pleasant Avenue
Wellsburg, West Virginia 26070

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301

Re: $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

I have served as counsel to The Board of Education of the County of Brooke, West Virginia (the "Issuer") in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of October 15, 2012 (the "Purchase Agreement"), between Piper Jaffray & Co. (the "Underwriter") and the Issuer. Any capitalized terms used herein and not defined shall have the meaning ascribed thereto in the Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Resolution and Order adopted by the Issuer, dated August 13, 2012 (the "Resolution"), the Escrow Agreement, dated November 5, 2012 (the "Escrow Agreement"), by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), the Continuing Disclosure Agreement, dated November 5, 2012 (the "Continuing Disclosure Agreement"), by and between the Issuer and WesBanco Bank, Inc., as disclosure agent, the Purchase Agreement, the Preliminary Official Statement dated October 8, 2012 and the Final Official Statement dated October 15, 2012, with respect to the issuance and offering of the Bonds (collectively, the "Official Statement") and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. The Issuer is a validly existing statutory corporation charged with the supervision and control of the Brooke County School District, which is a validly existing political subdivision of the State of West Virginia, and is authorized by the Refunding Act to

issue and sell the Bonds. The Issuer is authorized by the laws of the State of West Virginia, as provided by the Refunding Act, to enter into and perform its obligations under the Resolution, the Escrow Agreement, the Continuing Disclosure Agreement, the Purchase Agreement and other documents executed and delivered by the Issuer in connection therewith with respect to the issuance of the Bonds (the "Issuer Documents").

2. The Issuer has full power and authority to consummate all transactions contemplated by the Bonds and the Issuer Documents to which the Issuer is a party.

3. The Issuer has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Escrow Agreement, the Purchase Agreement and other Issuer Documents; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the Issuer and the issuance and delivery of the Bonds upon the terms set forth in the Resolution; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

4. The Escrow Agreement, the Purchase Agreement and other Issuer Documents have been duly and validly authorized, executed and delivered by the Issuer and the same are in full force and effect as of the date hereof and are valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and to the exercise of judicial discretion.

5. The Resolution authorizing issuance of the Bonds has been duly adopted and entered at meetings of the Issuer which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of such adoption.

6. The execution and delivery of the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents by the Issuer and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes organizing and governing the Issuer or, to the best of our knowledge based solely upon representations of the Issuer, any agreement or other instrument to which the Issuer is a party or by which it or its properties are bound.

7. All actions necessary to be taken by the Issuer have been taken, and no additional approval, authorization, consent or other order of the Issuer or any public board or body is legally required to allow the Issuer to enter into and perform its obligations under the Escrow Agreement, the Purchase Agreement or remaining Issuer Documents or as described in the Official Statement.

8. To the best of our knowledge there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Issuer is a party or of which any property of the Issuer is subject, except as described in the Official Statement, which, if determined adversely to the Issuer, would individually or in

the aggregate (i) materially and adversely affect the validity or the enforceability of the Bonds, the Escrow Agreement or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Issuer to comply with its obligations under the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents or (iii) materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the Issuer.

9. Based upon my experience as counsel to the Issuer and on my review of the Official Statement, and after inquiry and discussions with representatives of the Issuer, but without having undertaken to verify the same through independent investigation, nothing has come to our attention which would lead us to believe that the statements and information contained in the Official Statement under the captions or subcaptions "Brooke County School District," "Litigation in the State Concerning the School Financing System," "Litigation," "Legal Matters," "Appendix B" and "Appendix E" contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, it being understood, that in rendering such opinion we express no opinion regarding financial, accounting, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis or any information relating to The Depository Trust Company and the book entry only system contained in the Official Statement and its Appendices included therein, which we expressly exclude from the scope of this paragraph.

This opinion may be relied upon by all counsel to this transaction as if specifically addressed to them.

I hereby consent to the references made to me in the Official Statement.

Very truly yours,

David B. Cross, Esq.,
Brooke County Prosecuting Attorney

EXHIBIT C

FORM OF UNDERWRITER'S COUNSEL OPINION

[Letterhead of Spilman Thomas & Battle, PLLC]

November 5, 2012

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

Re: $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co. (the "Underwriter"), in connection with your purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated October 15, 2012 (the "Purchase Agreement") between The Board of Education of the County of Brooke, West Virginia (the "Issuer") and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

In connection with rendering this opinion, we have examined the Official Statement dated October 15, 2012, the Purchase Agreement and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule").

Based upon the foregoing review, we are of the opinion that the Purchase Agreement has been validly authorized, executed and delivered by the Underwriter and, assuming due authorization, execution and delivery by the Issuer, constitutes a valid and binding agreement, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the respective parties, the exercise of judicial discretion or the availability of equitable remedies.

It is also our opinion that the Continuing Disclosure Agreement, which provides for an undertaking for the benefit of the holders, including beneficial holders, of the Bonds to provide certain annual financial information and event notices to repositories at the times and in the manner required by the Rule, satisfies as to form in all material respects the requirements of subparagraph (b)(5) of the Rule in effect as of the date hereof and applicable to Continuing Disclosure Agreements.

In addition, we are of the opinion under existing law that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, to assist you in your investigation concerning the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to the attention of attorneys in our firm rendering legal services in connection with such issuance that cause us to believe that the Official Statement (except for any financial, accounting, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis or any information relating to The Depository Trust Company and the book entry only system contained in the Official Statement and its Appendices included therein, which we expressly exclude from the scope of this sentence) contains as of the date hereof any untrue statements of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Bonds.

Very truly yours,

Spilman Thomas & Battle, PLLC

CERTIFICATE OF DETERMINATION
$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

CERTIFICATE OF DETERMINATION

The undersigned, President and Secretary of The Board of Education of the County of Brooke (the "Board"), in accordance with a Resolution adopted by the Board of the Board on August 13, 2012 (the "Resolution"), with respect to the $4,075,000 The Board of Education of the County of Brooke, Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), hereby finds and determines as follows:

1. All capitalized terms contained in this Certificate of Determination unless defined herein shall have the same meaning set forth in the Resolution.

2. The Series 2012 Bonds shall be dated as of the date of original issuance and delivery thereof as described in the Resolution, which is expected to be November 5, 2012.

3. The Series 2012 Bonds shall be issued in the aggregate principal amount of $4,075,000. Such principal amount does not exceed $5,500,000, being the maximum principal amount authorized by the Resolution.

4. The Series 2012 Bonds shall mature on the dates set forth on Schedule I attached hereto. Such maturity dates are not later than May 1, 2016, being the latest date authorized by the Resolution.

5. The Series 2012 Bonds shall bear interest at the rates set forth on Schedule I attached hereto. Such rates do not exceed the rates set forth in Exhibit B to the Resolution.

6. The Series 2012 Bonds shall be sold to Piper Jaffray & Co. (the "Underwriter") pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Board, at an aggregate purchase price of $4,185,929.85, representing the par amount of the Bonds, plus original issue premium of $166,304.85, less an Underwriter's discount of $55,375.00, which discount is hereby approved.

7. The Series 2012 Bonds proceeds shall be applied as set forth on Schedule II attached hereto and incorporated herein.

8. The final Official Statement of the Board for the Series 2012 Bonds in the form presented and attached hereto as Exhibit A and the distribution of such Official Statement by the Underwriter is hereby ratified, confirmed and approved.

9. The Series 2012 Bonds shall be issued in registered form in denominations of $5,000 and integral multiples thereof.

11. The principal of the Series 2012 Bonds is payable by check in lawful money of the United States to the registered owner of the Series 2012 Bonds upon the surrender at the office of the West Virginia Municipal Bond Commission (the "Bond Commission"), as the paying agent for the Series 2012 Bonds. So long as Cede & Co. or its registered assigns shall be the registered owner of the Series 2012 Bonds, payment shall be made by wire transfer.

12. The Bond Purchase Agreement between the Board and the Underwriter in the form presented and attached hereto as Exhibit B and the execution and delivery of such Bond Purchase Agreement by the Board is hereby confirmed and approved.

13. The Escrow Agreement between the Board and the Bond Commission in the form presented and attached hereto as Exhibit C and the execution and delivery of such Escrow Agreement by the Board is hereby confirmed and approved.

14. The Bond Commission is hereby appointed as Escrow Agent for the Series 2012 Bonds under the terms of the Escrow Agreement.

15. Grant Thornton LLP is hereby appointed as Verification Agent for the Series 2012 Bonds.

[Remainder of Page Intentionally Left Blank]

Witness our signatures this 15th day of October, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: James R. Piccirilli
President

ATTEST:

By: Dr. Kathy Kidder-Wilkerson
Secretary

Schedule I

BOND PRICING

$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Maturity Date	CUSIP Number	Principal Amount	Coupon	Yield	Price
5/1/2013	112511 CS7	$1,190,000	3.00%	0.30%	101.318
5/1/2014	112511 CT5	$1,290,000	3.00%	0.45%	103.779
5/1/2015	112511 CU2	$1,330,000	3.00%	0.55%	106.047
5/1/2016	112511 CV0	$265,000	3.00%	0.65%	108.093
		$4,075,000			

Schedule II

Application of Proceeds and Other Funds

The proceeds received from the sale of the Series 2012 Bonds shall be deposited with the Bond Commission and the Board. The Bond Commission and the Board shall allocate such deposit as follows:

(1) The Bond Commission shall transfer and deposit into the Series 2012 Escrow Fund the sum of $746,613.26;

(2) The Board shall transfer to the Bond Commission for deposit into the Series 2012 Escrow Fund the sum of $323,386.74;

(3) The Board shall deposit into the Series 2012 Escrow Fund from bond proceeds the sum of $4,109,469.44; and

(4) The Board shall deposit the sum of $76,460.41 into the Series 2012 Costs of Issuance Fund, which shall thereafter be disbursed by the Board (in accordance with applicable law) for payment of Costs of Issuance of the Series 2012 Bonds.

Exhibit A

OFFICIAL STATEMENT

Exhibit B

BOND PURCHASE AGREEMENT

Exhibit C

ESCROW AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated as of November 5, 2012, is by and between the Board of Education of the County of Brooke (the "Board") and WesBanco Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution adopted by the Board on August 13, 2012, authorizing issuance of the Bonds (the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds in Appendix A entitled "Audit Report of Brooke County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the Board's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants or the West Virginia Auditor's Office.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated October 15, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Bonds from the Board upon the terms set forth therein.

"Bonds" shall mean the $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012.

"Disclosure Agent" shall initially mean WesBanco Bank, Inc. and any later appointed Disclosure Agent or any successor Disclosure Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

"Disclosure Representative" shall mean the Treasurer of the Board.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean the original underwriter of the Bonds which is required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each National Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Board shall, or shall cause the Disclosure Agent to, not later than 270 days after the end of the Board's fiscal years (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2012 (FY 2011), provide to each Repository by filing the same with EMMA or in such other manner as may be required from time to time by the Rule: Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. The Board shall provide the Disclosure Agent with a copy of each report filed under this Agreement. If the Board's fiscal year changes, the Board shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than ten (10) Business Days prior to said date, the Board shall provide the Annual Financial Information and Audited Financial Statements to the Disclosure Agent. If the Board is unable to provide to the Repositories the Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Board shall, or shall cause the Disclosure Agent to, send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Disclosure Agent shall file a report with the Board certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to this Agreement and the date provided.

(d) All documents provided to EMMA shall be provided in a searchable, electronic format and shall be accompanied by identifying information as prescribed by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. Within two hundred seventy (270) days of the Board's fiscal year ends, the Board or Disclosure Agent on its behalf shall submit to EMMA the Annual Financial Information and Audited Financial Statements of the Board for the prior fiscal year. If the Audited Financial Statements are not then available, the Board or the Disclosure Agent shall submit the unaudited financial statements of the Board for such fiscal year and shall submit the Audited Financial Statements as soon as they become available.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Board or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Board shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the Board[1];

13. the consummation of a merger, consolidation or acquisition involving the Board, or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Board obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Disclosure Agent pursuant to subsection (b) or otherwise, the Board shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Disclosure Agent within two (2) business days.

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[1] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

(d) If the Board determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the Board received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the Board shall promptly file with the Disclosure Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the Board determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the Board shall so notify the Disclosure Agent in writing and instruct the Disclosure Agent not to report the occurrence pursuant to subsection (f).

(f) If the Disclosure Agent has been instructed by the Board to report the occurrence of a Listed Event, the Disclosure Agent shall file a notice of such occurrence with EMMA with a copy to the Board. The Disclosure Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Disclosure Agent. WesBanco Bank, Inc. is hereby appointed as Disclosure Agent. The Board may, from time to time, appoint or engage an alternate or successor Disclosure Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Disclosure Agent. The Disclosure Agent shall not be responsible in any manner for the content of any notice or report prepared by the Board pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the Board and the Disclosure Agent may amend this Agreement, and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Board shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the Board chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Bonds or pursuant to the Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

SECTION 11. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the Board:	The Board of Education of the County of Brooke 1201 Pleasant Avenue Wellsburg, West Virginia 26070
To the Disclosure Agent:	WesBanco Bank, Inc. ATTN: Corporate Trust 1 Bank Plaza Wheeling, WV 26003

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Fees. The Board agrees to pay all fees and expenses of the Disclosure Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Disclosure Agent's duties.

SECTION 15. Right to Resign. The Disclosure Agent may resign at any time by providing thirty (30) days' written notice to the Board.

SECTION 16. Right to Counsel. The Disclosure Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted

or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action.

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IN WITNESS WHEREOF, the Board and the Disclosure Agent have caused this Agreement to be executed by its duly authorized representatives, all as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: _____
Name: James R. Piccirillo
Title: President

WESBANCO BANK, INC., as Disclosure Agent

By: _____
Name: JANET W. KENDZIERSKI
Title: CORP. TRUST OFFICER

Date: November 5, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the County of Brooke (the "Board")
Name of Bond Issue:	$4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012
Date of Bond Issue:	November 5, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3(b) of that certain Continuing Disclosure Agreement dated as of November 5, 2012, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____, 20__.

Dated: _____, 20___.

WesBanco Bank, Inc., as Disclosure Agent
on behalf of the Board

cc: Board

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 8, 2012

NEW ISSUE
BOOK-ENTRY ONLY

Rating: Standard & Poor's
(See "Rating" herein)

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, upon the conditions and subject to the limitations set forth under the caption "TAX MATTERS" herein; however, interest on the Bonds held by a corporation may be indirectly subject to alternative minimum tax because of its inclusion in adjusted current earnings of such corporate holder. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein.

$4,195,000*
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

Dated: Date of Delivery

Due: May 1, as shown below

The Bonds are being issued by the Board of Education of the County of Brooke, West Virginia (the "Board") pursuant to Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act") for the purposes of (i) currently refunding and redeeming in full the Board's Public School Bonds, Series 2001, dated March 1, 2001, issued in the original aggregate principal amount of $15,000,000 and currently outstanding in the aggregate principal amount of $5,170,00 (the "Bonds to be Refunded") and (ii) paying costs of issuance of the Bonds.

The Bonds are general obligations of the Board, which has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Brooke County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

The Bonds will be issued in fully registered form only, without coupons, and, when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated WesBanco Bank, Inc., Wheeling, West Virginia, as Registrar.

Interest on the Bonds will be payable May 1, 2013 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds. See "APPENDIX D – BOOK ENTRY ONLY SYSTEM."

The Board has designated the Bonds as "qualified tax-exempt obligations," therefore, the Bonds are treated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code. See "TAX MATTERS" for more detail regarding the opinion Bond Counsel gives regarding such designation.

The Bonds are not subject to optional redemption.

MATURITIES, AMOUNTS, RATES, PRICES, YIELDS AND CUSIPS

Maturing (May 1)	Principal Amount ($)*	Interest Rate (%)	Price (%)	Yield (%)	CUSIP** Base #:
2013	1,305,000				
2014	1,290,000				
2015	1,330,000				
2016	270,000				

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by David B. Cross, Esq., Brooke County Prosecuting Attorney, Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Spilman Thomas & Battle, PLLC, Charleston, West Virginia, as Counsel to the Underwriter. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about November 5, 2012.

PiperJaffray®

* Preliminary, subject to change.

** CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included on this cover page solely for the convenience of the Owners of the Bonds only at the time of issuance of the Bonds. Neither the Underwriter nor the Board makes any representation with respect to the accuracy of such CUSIP numbers as indicated in the above table or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds.

$4,195,000*
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

ELECTED OFFICIALS

James R. Piccirillo, President
Brian L. Ferguson, Vice President
Chad D. Haught, Member
James F. Lazear, Member
Frank A. Ujcich, Member

APPOINTED OFFICIALS

Dr. Kathy Kidder-Wilkerson, Superintendent
Martin J. Bartz, Jr., Assistant Superintendent
James R. Hervey, Treasurer

BOARD'S COUNSEL

David B. Cross, Esq.
Brooke County Prosecuting Attorney
Wellsburg, West Virginia

BOND COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

UNDERWRITER

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITER'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

*Preliminary, subject to change.

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. THE WEST VIRGINIA SECURITIES COMMISSION HAS NOT REVIEWED THE DISCLOSURE CONTAINED HEREIN AND THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION BY QUALIFICATION UNDER THE WEST VIRGINIA SECURITIES ACT.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Brooke, West Virginia, to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds herein described by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Board from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

The information contained in this Official Statement has been obtained by the Underwriter from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board.

The Resolution, as hereinafter defined, has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Forward-Looking Statements

This Preliminary Official Statement, and particularly the information contained in the caption "BROOKE COUNTY SCHOOL DISTRICT" and "CERTAIN FINANCIAL INFORMATION" contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Preliminary Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

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OFFICIAL STATEMENT
RELATING TO

$4,195,000*
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $4,195,000* in aggregate principal amount of The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). A brief description of The Board of Education of the County of Brooke, West Virginia (the "Board"), the Brooke County School District (the "School District") and the County of Brooke, West Virginia (the "County" or "Brooke County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

The Bonds are being issued to provide funds which, when combined with certain monies currently on deposit in the funds and accounts established for the Bonds to be Refunded (as hereinafter defined), will be applied to provide for the current refunding of the Board's Public School Bonds, Series 2001 issued in the original aggregate principal amount of $15,000,000 (the "Bonds to be Refunded") of which $5,170,000 is outstanding. Proceeds of the Bonds will also be used to pay legal, consulting and other professional fees, printing and other issuance costs.

At a special election held on November 7, 2000, the issuance of the Bonds to be Refunded in an amount of up to $15,000,000 and the levy of property taxes upon all taxable real and personal property in the School District sufficient to pay principal of and interest on such bonds were authorized and approved for the purpose of paying the cost of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District.

The Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

THE BONDS

General

The Bonds will be dated the date of delivery thereof and are issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1, in the years and amounts as follows:

Maturing (May 1)	Principal Amount ($)*
2013	1,305,000
2014	1,290,000
2015	1,330,000
2016	270,000

* Preliminary, subject to change.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended (the "Bond Act"), both the principal of and interest on the Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent"). The Board has designated WesBanco Bank, Inc., Wheeling, West Virginia, as the Registrar (the "Registrar").

Interest on the Bonds will be payable on May 1, 2013 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at the address as shown on the registration books kept for that purpose by the Registrar as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $1,000,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Registrar at least five days prior to an interest payment date.

Authority and Purpose

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Bond Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8 of the Constitution and Sections 20 and 34 of the Bond Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law. Pursuant to the Bond Act and orders and resolutions duly entered and adopted by the Board, on January 8, 2001, the issuance of bonds in the aggregate principal amount of $15,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved at a special election by 57.75% of the participating voters. Proceeds of the Bonds to be Refunded were applied, together with certain funds received by the Board from the State of West Virginia (the "State") and other sources, to the cost of acquisition and construction of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District. The ballot question limited the term of the bonds to fifteen and one-half (15 1/2) years from their date and limited the rate of interest on the bonds to a rate not exceeding 7.75% per annum. Pursuant to the Bond Act, the Bonds to be Refunded were issued on March 27, 2001 and designated Public School Bonds, Series 2001.

The Board is issuing the Bonds pursuant to Article 2 of Chapter 13 of the Code of West Virginia, as amended (the "Refunding Act") and a resolution of the Board adopted on August 13, 2012 (the "Resolution"). The Board is issuing the Bonds for the purpose of currently refunding the Bonds to be Refunded. In accordance with the provisions of the Refunding Act, debt service on the Bonds will not exceed in each year the amount of taxes expected to be available for payment of such debt service in accordance with the terms approved by the voters. The Bonds to be Refunded will be deemed paid upon the completion of the current refunding. Certain funds of the Board on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") relating to the Bonds to be Refunded will become surplus funds as a result of the current refunding and will be available for release to the Board.

Optional Redemption

The Series 2012 Bonds are not subject to optional redemption.

Plan of Financing

Proceeds of the Bonds in the amount of $4,195,000* will be transferred to the Bond Commission to currently refund in full the Bonds to be Refunded on November __, 2012.

Sources and Uses of Funds

Sources of Funds:

Proceeds of the Bonds	$_____
[Original Issue Premium]	$_____
Amounts Transferred from Bond Commission	$_____
TOTAL	$_____

Uses of Funds:

Deposit to Escrow Fund	$_____
[Original Issue Discount]	$_____
Underwriter's Discount	$_____
Costs of Issuance[1]	$_____
TOTAL	$_____

Nature of Obligation, Security and Source of Payments

The Bonds will constitute valid and legally binding general obligations of the Board, and, unless paid from other sources, the principal of and interest on the Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

Pursuant to Chapter 13, Article 3 of the Code of West Virginia, the Bond Commission shall serve as fiscal agent for all general obligation bonds issued by counties, municipalities, and school districts of the State when appointed by the issuer for such purpose and is charged with the administration of the interest and sinking funds created to service the debt. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff of Brooke County (the "Sheriff"), who remits the proceeds to the Board Treasurer, who forwards the proceeds thereof to the Bond Commission. The Bond Commission is required by law to render annually to each political subdivision having outstanding bonds a statement showing the levy required to pay the interest on and create a sinking fund for the retirement of the outstanding bonds. The Bond Commission customarily sets the levy rates for such bonds at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bond in the State of West Virginia since the Bond Commission commenced centralized supervision and administration in 1921.

Since 1933, the annual State of West Virginia Budget Bill has embodied a protective provision for certain State agency and taxing district obligations, if deficiencies should arise. The following excerpt from the 2012 Budget Bill is indicative:

> Sec. 14. Sinking Fund deficiencies. - There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the state municipal bond commission as provided by Chapter 31, Article 18, Section 20-b, of the code of West Virginia, or in the funds of the state municipal bond commission because of the failure of any state agency for either general obligation or revenue bonds or any local taxing district for general obligation bonds to remit funds necessary for the payment of interest and sinking fund requirements. The Governor is authorized to transfer from time to time such amounts to the state municipal bond commission as may be necessary for these purposes.

[1] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Printing and Accountants' Verification Report, and other costs of issuing the Bonds.

No representation is made that subsequent Budget Bills will have such provisions or that sufficient funds will be available to satisfy any such deficiencies. There has never been a default in payment of the principal of or interest on any general obligation bonds issued by The Board of Education of the County of Brooke. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

BROOKE COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members nominated and elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. The terms of two members expired on June 30, 2012, and the terms of three members will expire on June 30, 2014. The process will be repeated every two years thereafter.

Board Members' duties are established by State statute with the West Virginia Board of Education having regulatory powers. The Board appoints a superintendent who acts as the chief executive officer and secretary of the Board and who administers affairs of the School District in accordance with applicable laws, regulations, and local policies. The Board is a public corporation and as such may sue, plead and be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

During the fiscal year 2011-2012, the Brooke County school system had a central office professional staff of nine (9) with the overall responsibility to coordinate and supervise the activities of fifteen (15) school administrators, two hundred seventy two (272) instructional staff (teachers and other professionals), and one hundred seventy two (172) service personnel. Total Full Time Equivalent positions are four hundred sixty eight (468).

Historical School Enrollment (School Year)

Grades	2008	2009	2010	2011	2012
Pre-K Special Needs	13	18	10	29	25
Pre-K Universal	64	75	75	76	119
K	229	237	246	239	248
1	226	229	240	243	233
2	279	238	222	238	233
3	257	268	233	224	229
4	250	260	270	242	226
5	240	241	263	261	230
6	261	233	248	264	253
7	267	257	235	244	246
8	257	271	257	241	244
9	321	293	319	277	283
10	266	253	231	281	226
11	285	268	266	244	277
12	266	270	262	254	232
Total	3,481	3,411	3,377	3,357	3,304

Rate of Decrease in Enrollment	
2008-2012	(5.08 %)
Annualized	(1.27%)

Source: Brooke County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2013	3278
2014	3246
2015	3273
2016	3240

Source: Brooke County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Renovation or Addition and Date	
Administration Building		Masonry/Brick Veneer	1912	1993	
Beech Bottom Primary School	K-4	Masonry/Brick Veneer	1920	1953	1985
Brooke High School	9-12	Masonry/Brick Veneer	1968	1983&1985	2003
Carver/Transportation		Masonry/Brick Veneer	1954	1994	
Colliers Primary School	K-4	Masonry/Brick Veneer	1985		
Follansbee Middle School	5-8	Masonry/Brick Veneer	1922	1928	
Follansbee Middle School Fieldhouse		Masonry/Brick Veneer	1955	1984	1993
Franklin Primary School	K-4	Masonry/Brick Veneer	1926	1950	1984
Hooverson Heights Primary School	K-4	Masonry/Brick Veneer	1941	1959	1985
Jefferson Primary School	K-4	Masonry/Brick Veneer	1968	1982	
L. B. Millsop Primary School	K-4	Masonry/Brick Veneer	1953	2005	
Maintenance Shop		Wood Frame	1994		
Wellsburg Middle School	5-8	Masonry/Brick Veneer	1927	1938	1999
Wellsburg Primary School	K-4	Masonry/Brick Veneer	1955	1984&1995	2005

Source: Brooke County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Brooke County Sheriff (the "Sheriff") and are remitted by the Sheriff to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by the Auditor to the Sheriff for distribution. Tax statements are mailed by the Sheriff's office in July, and they may be paid in two installments. The first half of the tax is subject to a 2 1/2% discount if paid by September 1; thereafter, the amount payable is net until October 1, after which a 9% penalty is added. Likewise, the second half is subject to a 2 1/2% discount if paid by March 1, net to April 1, and 9% penalty thereafter. The Sheriff, after ascertaining which taxes are delinquent, shall on or before May 1 next succeeding the year for which taxes are assessed, prepare delinquent lists, which shall be posted at the front door of the courthouse and published as a legal advertisement at least two weeks prior to the presentation to the County Commission for examination. After examination and correction, the Commissioners shall certify such lists pertaining to real property to the Auditor not later than July 1. On or before September 10, the Sheriff shall prepare a second list of delinquent taxes, as of September 1, together with a notice of sale for properties upon which such taxes are due. If not redeemed before, such properties shall be sold at public auction at the courthouse on any Monday after October 14, and before November 23. No such sale shall be made for any sum less than the total amount of taxes, interest and charges then due. The former owner of any real or personal property so purchased by the State, or any other person who is entitled to pay the taxes thereon, may redeem such real or personal property from the Auditor at any time within the eighteen months after the date of such purchase. The Auditor reports monthly to the Sheriff, the County Assessor and the Clerk of the County Commission all

properties in the County which were redeemed in the Auditor's office during the preceding month. The Auditor, each month, draws a warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by the Sheriff upon the redemption of the property included in the Sheriff's report which was owing to any of the taxing units in the County. The Sheriff accounts for and pays over such money as if it had been paid to the Sheriff before sale and redemption.

Tax Levies and Collections

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 95% Less Assessors Fee	Actual ($) Collected	Actual (%) Collected
2008-2009				
General Current	4,919,937	4,584,183	4,768,971	104.03%
Bond Levy	1,420,189	1,419,525	1,407,758	99.17%
Excess Levy	5,820,236	5,531,553	5,744,504	103.85%
2009-2010				
General Current	5,051,105	4,700,589	4,895,680	104.15%
Bond Levy	1,426,807	1,425,200	1,407498	98.76%
Excess Levy	5,975,405	5,679,025	5,884,559	103.62%
2010-2011				
General Current	4,831,610	4,495,075	4,657,229	103.61%
Bond Levy	1,429,557	1,428,625	1,409,128	98.64%
Excess Levy	5,715,746	5,432,245	5,644,915	103.91%
2011-2012				
General Current	5,024,121	4,559,713	4,619,343	101.31%
Bond Levy	1,437,314	1,434,800	1,332,617	92.88%
Excess Levy	5,943,484	5,648,688	5,888,198	104.24%
2012-2013	4,919,937	4,584,183	4,768,971	104.03%
General Current	5,286,352	4,805,369	N/A	N/A
Bond Levy	1,444,209	1,443,500	N/A	N/A
Excess Levy	6,253,699	5,943,515	N/A	N/A

Assessment Procedure

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The County Commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment, the commission certifies and returns the property books to the assessor. Appeal of any assessment which was protested to the board of equalization and review may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. A taxpayer can elect to have its protest of an assessment heard by the county commission sitting as a board of assessment appeals in October, rather than by the county commission sitting as a board of equalization and review in February. In order to utilize this option the taxpayer must pay the disputed taxes. The assessor annually, not later than March 3, must furnish a certified statement to certain governmental bodies in the county, including the board of education, showing the aggregate value of all real and personal property. During the month of March the county commissions, the county boards of education and municipal governments prepare their budgets for the fiscal year which begins the following July. After these budgets are approved, these governments officially set the tax rate for the coming year sufficient to pay budgeted expenses not expected to be paid from other sources. For example, the 2012 assessment year valuations are made as of July 1, 2011, with taxes levied and collected during the fiscal year July 1, 2012, through June 30, 2013.

The State Tax Commissioner has the responsibility for preparing tentative valuations of all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the Auditor to the various counties in which the utility property is located, such allocation being approved by the Board of Public Works.

Property Classification

Article X, Section 1, of the Constitution of West Virginia and Chapter 11, Article 8, Section 5 of the Code of West Virginia of 1931, as amended, created four classifications of property for which the tax rates, but not the assessed values, are limited. These tax classifications are as follows: Class I - all tangible personal property employed exclusively in agriculture, all products of agriculture while owned by the producer; Class II - owner-occupied residential property and certain farm lands; Article 10, Section 1b of the Constitution of the State of West Virginia and Chapter 11, Article 6B, Section 3 of the West Virginia Code of 1931, as amended, provide that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence, who is a citizen of the State and is sixty-five years of age or older or is certified as being permanently disabled, shall be exempt from ad valorem property taxation. Only one exemption shall be allowed for each homestead used and occupied exclusively for residential purposes by the owner thereof, regardless of the number of qualified owners residing therein; Class III - all real and personal property, other than Class I and II property, situate outside of municipalities; Class IV - all real, and personal property, other than Class I and II situate within municipalities. Public utility property falls within Class III or Class IV, as appropriate.

Assessed Valuations

The Brooke County School District includes all of Brooke County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code requires all assessors to appraise all property at fair market value (except for certain farm property), within three years of the approval of the county valuation plan. A county valuation plan must be submitted every three years by the assessor to the State Tax Commissioner. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. Any increase in the total property taxes that could result from the new calculations is limited to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. Assessors do not have the authority to implement the reappraisal described above. All property, except farms and managed timberlands, must be assessed at 60% of Fair Market Value.

The Brooke County Assessor entered into an Agreement in 2011 with Tyler Technologies, Inc. ("Tyler") for the purpose of engaging Tyler to undertake a county-wide review of the assessed values of real and personal property in Brooke County. Following the completion of its initial review, Tyler recommended modifications to the assessed value of many real property tax parcels in the County and in the assessed value of certain personal property. Tyler, in conjunction with The County Commission of Brooke County, setting as a Board of Equalization and Review, and the Brooke County Assessor's Office, continues to evaluate assessed valuations in the County and is considering feedback from County taxpayers regarding existing assessments and proposals for revaluation. This revaluation process is anticipated to result in a more than 5% overall average increase in the assessed valuation of property in Brooke County for the tax year commencing July 1, 2012. Modest increases in the assessed valuation of the property in the County are also anticipated for the 2013 and 2014 tax years.

Assessed Valuation By Property Class*

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	0	0	0	0	0
II	259,307,073	260,672,282	259,216,490	264,348,412	263,239,238
III	94,154,622	95,108,865	88,287,134	92,012,004	100,401,115
IV	410,204,278	425,470,630	404,734,828	423,252,205	449,210,190
Total	763,665,973	781,251,777	752,238,452	779,612,621	812,850,543

Assessed Valuation By Property Category*

Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Real	410,458,360	412,222,010	409,364,520	422,457,500	421,520,480
Personal	317,700,085	330,405,862	304,508,641	313,871,147	348,174,063
Public Utility	35,507,528	38,623,905	38,365,291	43,283,974	43,156,000
Total	763,665,973	781,251,777	752,238,452	779,612,621	812,850,543

*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded amounted to:

$58,401,836 in 2008-2009
$58,242,072 in 2009-2010
$58,384,746 in 2010-2011
$58,841,884 in 2011-2012
$59,585,615 in 2012-2013

Largest Assessed Valuations (tax year 2012)

Property Owner	Assessed Valuation ($)
Wheeling-Nisshin	64,200,000
Mountain State Carbon	48,400,000
Wheeling Pitt/RG Steel	22,700,000
Ball Metal	22,400,000
Arcelor Mittal	21,500,000
Roll Coater	10,500,000
Herman Strauss	10,400,000
Wal-Mart	10,300,000
SNA Carbon	9,600,000
Koppers	8,400,000

Source: Brooke County Assessor

Tax Rate Comparisons

The following shows Brooke County property taxes in cents per $100 assessed valuation (this includes all state, county and school rates, in comparison with a few select surrounding counties), for tax year 2012; Fiscal Year 2012 - 2013.

Rates of Levy*

County	Class I	Class II	Class III/IV
BROOKE	66.55	133.10	266.20
Hancock	67.25	134.50	269.00
Marshall	57.21	114.42	228.84
Ohio	56.54	113.08	226.16

*Includes the total levy for State, County and schools in each County.
Source: West Virginia State Auditor

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia of 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $0.2295 per $100 assessed valuation in respect to Class I, $0.4590 per $100 in respect to Class II, and $0.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

Tax Rates - By Property Class (Cents Per $100)

School Current Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	22.95	22.95	22.95	22.95	22.95
II	45.90	45.90	45.90	45.90	45.90
III and IV	91.80	91.80	91.80	91.80	91.80

School Bonds

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	5.60	5.48	5.74	5.55	5.30
II	11.20	10.96	11.48	11.10	10.60
III and IV	22.40	21.92	22.96	22.20	21.20

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8, Section 6b of the Code of West Virginia of 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

Rates of Levy (Source: West Virginia State Auditor)

The tax rates for citizens of the County, including those imposed by the Board, in cents per $100 assessed valuation for the 2012-2013 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	14.30	28.60	57.20
County Excess	4.35	8.70	17.40
School Current	19.40	38.80	77.60
School Bonds	5.30	10.60	21.20
School Excess	22.95	45.90	91.80

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2012-2013 fiscal year.

Municipality	Class I	Class II	Class III/IV
Town of Beech Bottom	7.62	15.24	30.48
Town of Bethany	11.53	23.06	46.12
Town of Follansbee	11.29	22.58	45.16
Town of Weirton	12.50	25.00	50.00
Town of Wellsburg	12.50	25.00	50.00
Town of Windsor Heights	9.57	19.14	38.28

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2010 Census)	24,069
Assessed Valuation*	$812,850,543
Debt Limit (5% of Assessed Valuation)	$40,642,527
Outstanding Debt (including the Bonds)**	$4,195,000
Debt Contracting Margin**	$36,447,527
Per Capita Debt**	$174.29
Outstanding Debt as percentage of Assessed Valuation	0.52%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2012, Fiscal Year 2013).
** Preliminary, subject to change

Debt Service Requirements

Upon issuance of the Bonds, based on the interest rates and yields set forth on the inside cover page, the Board will have the following debt:

Schedule of Bond Indebtedness
Public School Bonds

Year Ending June 30	Series 2012 Principal ($)	Series 2012 Interest ($)	Total ($)
2013			
2014			
2015			
2016			
TOTAL			

Overlapping Debt

There is no overlapping county or city general obligation debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Bond Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building Authority funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Review Revenue Fund

Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in the Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. See "APPENDIX A- AUDIT REPORT OF BROOKE COUNTY BOARD OF EDUCATION FOR THE FISCAL YEAR ENDED JUNE 30, 2011"

The State Auditor's Office has not been engaged to perform and has not performed, since the date of the Audit Report, attached hereto as APPENDIX A, any procedures on the financial statements addressed in that report. The State Auditor's Office also has not performed any procedures relating to this preliminary official statement.

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November/December-	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January/February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing. A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual (Source: Brooke County Board of Education)

Revenues, Expenditures and Changes in Fund Balance – Regulatory Basis
Budget and Actual
General Current Expense Fund
Year ended June 30

	2010 Budget	2010* Actual	2011 Budget	2011* Actual	2012 Budget	2013 Budget
Revenues						
Property Taxes	10,379,614	10,780,239	9,927,320	10,271,518	10,208,401	10,748,884
Other Local Sources	269,199	276,137	261,010	351,875	281,760	281,760
State Sources	18,452,014	17,382,302	17,405,015	17,150,435	18,704,281	18,219,666
Federal Sources	0	734,646	0	757,190	0	0
Miscellaneous Sources	112,310	0	113,990	11,534	93,240	93,240
Total Revenues Collected	29,213,137	29,173,324	27,707,335	28,542,552	29,287,682	29,343,550
Expenditures						
Instruction	17,947,839	18,539,435	15,590,255	17,659,759	16,746,224	17,155,594
Supporting Services:						
Students	946,930	1,569,964	1,587,680	1,617,284	1,781,280	1,855,640
Instructional Staff	304,570	330,745	320,930	1,081,847	989,330	821,750
Central Administration	1,284,779	1,375,292	1,248,520	584,780	547,499	551,220
School Administration	1,900,680	2,134,786	1,911,260	2,134,182	1,999,700	2,026,280
Business Administration	338,580	364,735	341,710	327,844	309,140	315,900
Operation & Maintenance of Facilities	3,725,300	4,655,389	3,883,020	4,689,339	3,943,760	3,931,900
Student Transportation	2,091,350	2,389,019	2,129,920	2,243,288	2,319,824	2,077,606
Food Services	0	0	0	0	0	0
Community Services	57,600	67,178	51,200	56,962	54,500	57,660
Capital Outlay	0	155,582	0	350,637	0	0
Reserves	0	0	0	0	0	0
Total Expenditures	28,597,628	31,582,125	27,064,495	30,745,921	28,691,257	29,493,550
Excess (Deficiency) of Revenues over Expenditures		(2,408,800)		(2,203,369)		
Total Other Financing Sources (Uses)		(601,447)		(640,333)		
Net change in Fund Balance		(3,010,247)		(2,843,702)		
Fund Balance - beginning		5,765,676		2,783,018		
Restatement of Fund Balance		27,589		0		
Fund Balance - ending		2,783,018		(60,684)		

* Includes $3,909,327 OPEB Liabilities for Fiscal Year 2010 (2009-2010 Actual) and $7,198,673 OPEB Liabilities for Fiscal Year 2011 (2010-2011 Actual).

Retirement Plans (Source: State of West Virginia Consolidated Public Retirement Board)

Teachers' Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2011, there were 35,880 active members and 31,043 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2011 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2011, the unfunded liability of TRS was $4.370483 billion. The funded percentage was 53.7%. The State expects the TRS unfunded accrued liability to be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2011, there were approximately 4,554 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 vote to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

Other Post-Employment Benefits (OPEB)

The Board has adopted Governmental Accounting Standards Board (GASB) Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", which among other things, requires reporting on an accrual basis the liability associated with other postemployment benefits. In conjunction with the implementation of GASB Statement No. 43, the State of West Virginia established the Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, to account for and administer the other postemployment benefits (OPEBs) provided under the multiemployer cost-sharing plan. The PEIA Finance Board was assigned the authority to establish and amend contribution requirements of the plan members and the participating employers, and PEIA administers the plan. The legislation requires the RHBT to determine through an actuarial study the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the respective employers who are required by law to remit at least the minimum annual premium component of the CRC. The Board is required to participate in the RHBT established for the multiemployer cost-sharing plan. Details regarding this plan can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or http://www.wvpeia.com.

Revenues collected by RHBT are used to fund current OPEB health care claims and administrative expenses with residual funds held in trust for future OPEB costs. The rates charged must generate sufficient revenues to not only meet all expected expenses, including insurance, administrative expenses, and incurred but unreported claims of the RHBT, but also include the amounts necessary to fund the unfunded obligation of the plan over an amortization period not to exceed 30 years.

In an effort to reduce OPEB obligations, after conducting public hearings around the State in November, 2011, the PEIA Finance Board met on December 13, 2011 and adopted its plan for 2012-2013 which, among other things, cut health benefits by approximately $18.4 million per year and set a cap on retiree premium subsidies of $343 per month, effective as of July 1, 2012, for those employees hired on or before July 30, 2010. The $343 retiree premium subsidy cap will increase over time for inflation, but by no more than 3% per year. This action is calculated to reduce the State of West Virginia's OPEB liability by half to $5 billion and is projected to ultimately eliminate the OPEB liability by 2040.

The OPEB liability, Actuarial Accrued Liability (AAL), for the multiple-employer-cost sharing plan, for plan year FY 2012, was estimated at $10.3 billion. This amount represents a substantial unfunded liability for the employers which are a part of the plan. The action taken by the PEIA Finance Board at its December 13, 2011 meeting is estimated to have cut the OPEB liability in half to approximately $5 billion. The PEIA 2012-2013 plan contemplates that State retirees will pay the additional $5 billion over time in the form of higher premiums or reduced benefits or both.

On February 10, 2012, the West Virginia Legislature passed Senate Bill 469 which creates a plan to address the funding of OPEB liabilities associated with the PEIA in the State of West Virginia. The Senate Bill eliminates health care insurance premium subsidies for PEIA insured employees which were hired after July 1, 2010 and sets up the Post July 1, 2010 Employee Trust Fund for the purpose of funding retirement benefits for employees hired after July 1, 2010. Under Senate Bill 469, following the elimination of the actuarial unfunded liability of the State's Workers' Compensation Trust Fund, the State will begin to apply $35 million a year from personal income tax collections as follows: $30 million a year will be deposited into the West Virginia Retiree Health Benefit Trust Fund (until the actuarial unfunded liability is eliminated or July 1, 2037, whichever is later to occur) for the purpose of paying down the remaining $5 billion of long-term OPEB liability associated with the PEIA, and (ii) $5 million a year will be deposited into the Post July 1, 2012 Employee Trust Fund to assist employees hired after July 1, 2010.

For professional employees, service personnel and professional student support personnel of the various County Boards of Education in the State, including the Board, which are employed within the limits permitted by the foundation allowance of the State school aid formula, the necessary OPEB premiums which are required to

be paid to PEIA with respect to such employees shall be charged to the State of West Virginia. However, such County Boards of Education, including the Board, retain liability for payment of the necessary OPEB premiums which are required to be paid to PEIA for all professional employees, service personnel and professional student support personnel which are employed by such County Boards of Education in excess of the limits permitted by the foundation allowance of the State school aid formula.

In accordance with GASB requirements, the Board accrues OPEB costs based upon invoices received from PEIA based upon actuarially determined amounts. As of June 30, 2011, June 30, 2010, and June 30, 2009, the noncurrent liability related to OPEB costs for the Board was $3,289,347, $3,517,329, and $391,997. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2011 was $7,198,673. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2010 was $3,909,327. For additional information regarding the Board's liabilities and expenses, see "APPENDIX A – Audit Report of Brooke County Board of Education for the Fiscal Year Ended June 30, 2011" and the accompanying notes to the financial statements.

Sources: (West Virginia Public Employees Insurance Agency; Brooke County Board of Education)

Insurance Coverage (Source: Brooke County Board of Education)

1. Type		Amount in Force (FY 2012)
Deluxe Commercial Property insurance		$74,462,854
Deductible per occurrence		$2,500 per occurrence
Machinery and Equipment insurance		$18,102,794
Deductible per occurrence		$2,500 per occurrence
Flood insurance		$500,000 per building and contents
Deductible per occurrence		$2,000
Public official position bond:	Superintendent	$50,000
	Board President	$50,000
	Treasurer	$300,000
Fidelity Honesty Bond		$250,000

Liability Insurance: The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2011 to July 1, 2012. The Board is insured for the following coverages:

Comprehensive general liability insurance
Personal injury liability insurance
Professional liability insurance
Stop gap liability insurance
Wrongful act liability insurance
Comprehensive auto liability insurance
Auto physical damage insurance, including comprehensive and collision, and
Garagekeepers insurance.

2. Limits of Liability

EACH OCCURRENCE: $1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS: The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.

DEFENSE COSTS: Defense costs are in addition to each occurrence limit of liability.

INVESTMENT CONSIDERATIONS

Annual Audit

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The School District is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the School District's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain municipalities to obtain audit services from certain approved accounting firms. The School District has been instructed by the Chief Auditor to procure audit services pursuant to such procedures. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the School District and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Agreement. See "Continuing Disclosure" herein. Additionally, the School District has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

TAX MATTERS

In the opinion of Goodwin & Goodwin, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is taken into account in determining the adjusted current earnings of certain corporations for purpose of calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that, under existing law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL" hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Resolution, the Tax Compliance Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and

conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Goodwin & Goodwin, LLP.

Original Issue Discount and Original Issue Premium

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) (the "Discount Bonds"), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of West Virginia personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. A purchaser of a Discount Bond in the initial public offering at a price for that Discount Bond stated on the cover of this Preliminary Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocated to such beneficial owner. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Preliminary Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with bond premium, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bank Qualification

The Board has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code, and, in the case of certain financial institutions (within the meaning of Code Section 265(b)(5), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

Market Discount

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number Certification," or unless the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding should be allowed as a refund or a credit against any owner's federal income tax once the required information is furnished to the Internal Revenue Service ("IRS").

State Income Tax Exemption

In the opinion of Bond Counsel, under the existing laws of the State of West Virginia, as presently written and applied, the Bonds, together with the interest thereon, shall be exempt from all taxation by the State of West Virginia, or by any county, municipality or political subdivision thereof.

Individual Circumstances

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future Tax Changes

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board, or about the effect of

future changes in the Code, the application of regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel Obligations

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the Board or the beneficial owners regarding the tax exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Board and their appointed counsel including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Board or the beneficial owners to incur significant expense.

Bond Counsel's opinions represent its legal judgment based in part upon the representations and covenants referenced therein and its review of existing law, but are not a guarantee of result or binding on the IRS or the courts. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinions or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988 89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.

2. The decision of the Honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and

3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.

4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age appropriate, non handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. Counsel to the Board has reviewed the current status of all pending and threatened litigation, and expresses the opinion of the Board that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse effect on the repayment of the Bonds.

On February 22, 2010, forty-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor (the "OPEB Litigation") seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. The Circuit Court of Kanawha County dismissed the suit on the grounds that it was a political question better answered by the West Virginia Legislature. The county boards of education appealed this decision to the West Virginia Supreme Court. The West Virginia Supreme Court upheld the Circuit Court of Kanawha County's decision to dismiss the suit. The Board does not expect the result of the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Bonds.

The West Virginia Legislature enacted Senate Bill 469 subsequent to the West Virginia Supreme Court's decision in the OPEB Litigation above described. Senate Bill 469 provides that OPEB premiums associated with the PEIA for certain County School Board employees which are employed within the foundation allowance of the State school aid formula are to be charged to the State of West Virginia rather than the County School Boards. However, the County School Boards retain liability for such OPEB premiums for employees which are employed outside of the foundation allowance of the State school aid formula (see Other Post-Employment Benefits discussion in this Official Statement for additional detail).

The State of West Virginia's OPEB liability and the Board's OPEB liability may be subject to additional lawsuits and legislative action in the future which could have an effect on the amount of the Board's OPEB liability. No representation can be made regarding the potential outcome of any such lawsuits, if initiated, or the likelihood of any future legislative actions and any effect on the amount of the Board's OPEB liability.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX F (the "Continuing Disclosure Agreement"), to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2012, and to provide notice of the occurrence of the enumerated events listed therein, if material (for those enumerated events which specify a materiality determination). The Annual Information and each notice of enumerated events will be filed electronically by WesBanco Bank, Inc., Wheeling, West Virginia, as dissemination agent, on behalf of the Board (the "Dissemination Agent"), with the Electronic Municipal Markets Access system maintained by the Municipal Securities Rulemaking Board ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Dissemination Agent has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any failure to supply information pursuant to the terms of the Continuing Disclosure Agreement will not constitute a default under the

terms of the Bonds or any document executed and delivered in connection therewith. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Prior Continuing Disclosure Non-Compliance

The Board has not complied in all material respects with the majority of their continuing disclosure obligations in connection with the Bonds to be Refunded. Specifically, the Board failed to provide their 2007, 2008, 2009, 2010 and 2011 Annual Reports to the applicable Nationally Recognized Municipal Securities Information Repositories in a timely manner and further failed to upload its 2009, 2010 and 2011 Annual Reports to Electronic Municipal Market Access system ("EMMA"). On September 10, 2012, the Board made filings that fulfilled all continuing disclosure obligations that had not been satisfied during the past 3 years. The Board is now fully in compliance with their continuing disclosure obligations related to the Board's outstanding bonds. The Board has established new policies and procedures that they believe will ensure full and timely compliance with all continuing disclosure obligations in the future, including engaging the Dissemination Agent.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Bonds. Certain legal matters will be passed upon for the Board by David B. Cross, Esq., Brooke County Prosecuting Attorney, Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Spilman Thomas & Battle, PLLC, Charleston, West Virginia, as Counsel to the Underwriter.

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of 'AA' based on the Board's eligibility and participation in the West Virginia Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

VERIFICATION AGENT

Grant Thornton LLP, 500 US Bank Plaza N, 200 S. 6th Street, Minneapolis, Minnesota has been retained as verification agent for the Bonds (the "Verification Agent"). The Verification Agent shall provide a verification of the sufficiency of the escrow for the repayment of the Bonds to be Refunded on the redemption date thereof.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as Underwriter. The Purchase Contract provides that the Underwriter will purchase all the Bonds if any are purchased, the obligation to make such purchase being subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof. The Underwriter has agreed to purchase the Bonds, subject to certain conditions, for a purchase price of $_____ (par less an Underwriter's discount of $_____ plus a net original issue premium in the amount of $_____).

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper Jaffray & Co.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the Bonds. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Brooke.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purposes. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. The distribution of this Official Statement has been approved by the Board. Additional information may be obtained from the superintendent at 1201 Pleasant Avenue, Wellsburg, West Virginia, 26070, telephone (304) 737-3481.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: /s/_____, President

APPENDIX A

Audit Report of Brooke County Board of Education for the Fiscal Year Ended June 30, 2011

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AUDIT REPORT OF
BROOKE COUNTY BOARD OF EDUCATION
WELLSBURG, WEST VIRGINIA
For the Fiscal Year Ended June 30, 2011

AUDIT REPORT OF
BROOKE COUNTY BOARD OF EDUCATION
For the Fiscal Year Ended June 30, 2011

This audit has been conducted pursuant to the authority and duty of the State Auditor as Chief Inspector and Supervisor of Public Offices to conduct an annual inspection of all political subdivisions of the State of West Virginia and any agency created by these subdivisions. This power is granted by West Virginia Code §6-9-1 et seq.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF FUNDS INCLUDED IN REPORT
For the Fiscal Year Ended June 30, 2011

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General Current Expense Fund

Special Revenue Funds

Restricted Projects
ARRA

Capital Projects Funds

Bond Construction
Permanent Improvement

Debt Service Fund

FIDUCIARY FUND TYPE

Agency Fund

School Activity

BROOKE COUNTY BOARD OF EDUCATION
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INTRODUCTORY SECTION

BROOKE COUNTY BOARD OF EDUCATION
OFFICIALS
For the Fiscal Year Ended June 30, 2011

OFFICE	NAME	TERM
	Elective	
Board Members:	James Piccirillo	07-01-08 / 06-30-12
	Brian Ferguson	07-01-08 / 06-30-12
	Michael Simon	08-23-10 / 11-12-10
	Chad Haught	11-12-10 / 06-30-14
	James Lazear	07-01-10 / 06-30-14
	Frank Ujcich	07-01-10 / 06-30-14
	Appointive	
Board President:	James Piccirillo	07-01-10 / 06-30-12
Treasurer:	James R. Hervey	

FINANCIAL SECTION

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
1900 Kanawha Boulevard, East
Building 1, Room W-100
Charleston, West Virginia 25305

Toll-Free: 877-982-9148
Telephone: (304) 558-2540
FAX: (304) 205-6033
www.wvsao.gov

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Brooke County Board Of Education
Wellsburg, West Virginia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of the Brooke County Board of Education (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the Brooke Board of Education, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the Board implemented the provisions of Governmental Accounting Standards Board Statement Number 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* and Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2012, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 11 and budgetary comparison information for the General Current Expense Fund and the Special Revenue Fund on pages 45 through 48, are not a required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brooke County Board of Education's financial statements. The introductory section, budgetary comparison information for the Debt Service Fund, Bond Construction Fund and the Permanent Improvements Fund, and the Schedule of Changes in School Activity Funds are presented for purposes of additional analysis and are not required parts of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of the Brooke County Board of Education. Such information, with the exception of the introductory section, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 5, 2012, except for Note 18 as to which
date is May 1, 2012

This narrative discussion and analysis provides an overview of the financial activities of the Brooke County Board of Education (the Board) for the fiscal year ended June 30, 2011. Please consider this discussion and analysis in conjunction with information provided in the Board's basic financial statements and the accompanying notes, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

The assets of the Board exceeded its liabilities at the close of the most recent fiscal year by $14,157,443 (net assets).

The government's total net assets decreased by $1,967,587. Our Unrestricted Net Assets decreased $5,035,639 due to recording of Other Post Employment Benefits (OPEB) expense and liability for the year ended June 30, 2011.

As of the close of the current fiscal year, the Board's governmental funds reported a combined ending fund balance of $2,403,559, a decrease of $3,701,955 in comparison with the prior year. As with the government-wide statements, most of this decrease is due to recognition of the Other Post Employment Benefit expense and liability, as required by the Governmental Accounting Standards Board's Statement No. 45 - *Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions* (OPEB).

As a consequence of the recognition of the OPEB liability mentioned above, the total fund balance for the general fund reported a negative balance of $(72,218) or (.24)% of General Fund expenditures at the end of the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 12 to 14 of this report.

Fund financial statements - A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, and the special revenue fund for the American Recovery and Reinvestment Act (ARRA) all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 15 to 19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Board's own programs.

The Board maintains one agency fund to account for resources held for student groups and activities.

The basic fiduciary funds financial statement can be found on page 20 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 21 to 44 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by $14,157,443 at the close of the most recent fiscal year.

Brooke County Board of Education's Net Assets

	Governmental activities	
	FY 2011	FY 2010
Current and other assets	$ 13,675,036	$ 14,621,063
Capital assets	17,479,947	16,847,608
Total assets	31,154,983	31,468,671
Current and other liabilities	10,638,407	7,891,370
Long term liabilities	6,359,133	7,452,271
Total liabilities	16,997,540	15,343,641
Net assets:		
Invested in capital assets, net of related debt	11,169,947	9,452,608
Restricted	4,127,436	2,776,723
Unrestricted	(1,139,940)	3,895,699
Total net assets	$ 14,157,443	$ 16,125,030

The largest portion of the Board's net assets, $11,169,947 or 78.9 percent, reflects its investment in capital assets (e.g. land, site improvements, buildings, furniture and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Board's net assets, $4,127,947 represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for the capital projects and the payment of outstanding bonds. The remaining balance of unrestricted net assets (8.1) percent may be used to meet the government's ongoing obligations to students, citizens and creditors and to honor next year's budget.

The Board is able to report positive balances in two of the three categories of net assets at the end of the current fiscal year.

Restricted net assets increased by $1,350,713 during the year ended June 30, 2011.

The Board's net assets decreased by $1,967,587 during the 2011 fiscal year. Most of this decrease is due to the OPEB expense and liability recognized for the period.

The key elements of the change in the Board's net assets for the years ended June 30:

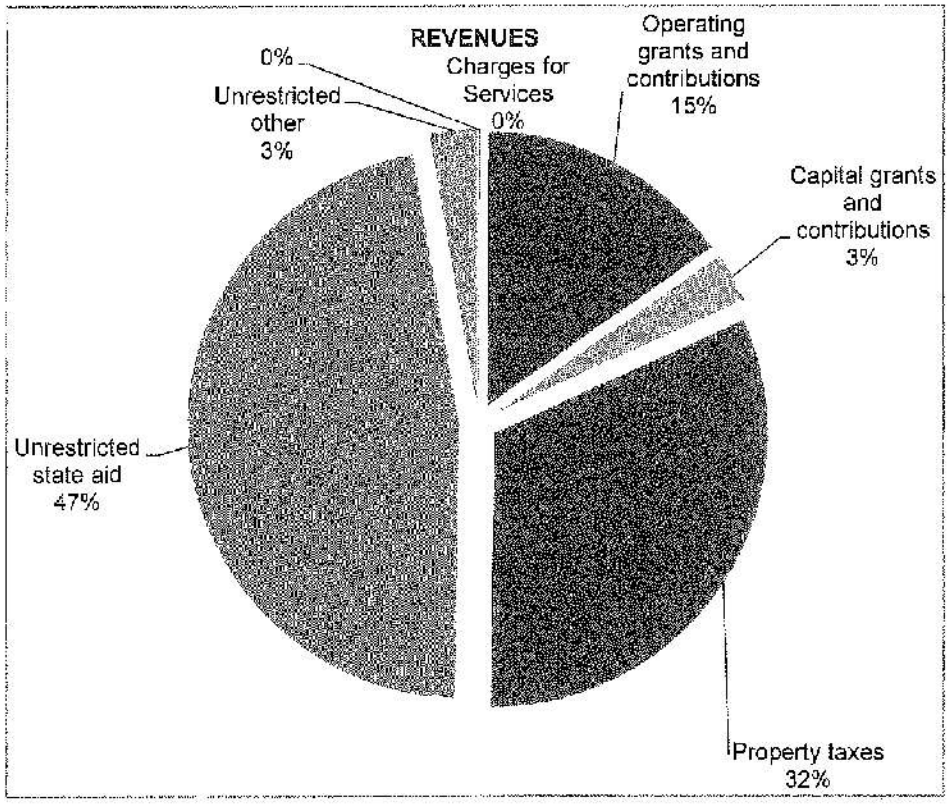
Brooke County Board of Education's Changes in Net Assets

	Governmental activities	
	FY 2011	FY 2010
Revenues:		
Charges for services	$ 32,782	$ 26,038
Operating grants and contributions	5,524,242	6,160,846
Capital grants and contributions	1,080,916	288,310
Property taxes	11,705,881	12,329,764
Unrestricted state aid	17,146,376	17,377,690
Unrestricted investment earnings	60,443	66,863
Unrestricted grants and contributions	951,433	1,032,275
Proceeds from sale of capital assets	-	7,007
Total revenues	$ 36,502,073	$ 37,288,793
Expenses:		
Instruction	$ 22,336,415	$ 23,143,012
Supporting services:		
Students	1,967,706	1,952,544
Instructional staff	1,381,029	544,638
District administration	714,320	1,651,310
School Administration	2,135,982	2,134,786
Business services	331,710	368,601
Operation and maintenance	4,895,970	4,994,096
Transportation	2,525,576	2,491,658
Total supporting services	13,952,293	14,137,633
Food service	1,705,365	1,797,859
Community services	137,850	136,107
Interest on Long Term Debt	337,737	384,688
Total expenses	38,469,660	39,599,299
Change in net assets	(1,967,587)	(2,310,506)
Net assets - beginning of year	16,125,030	18,435,536
Net assets - end of year	$ 14,157,443	$ 16,125,030

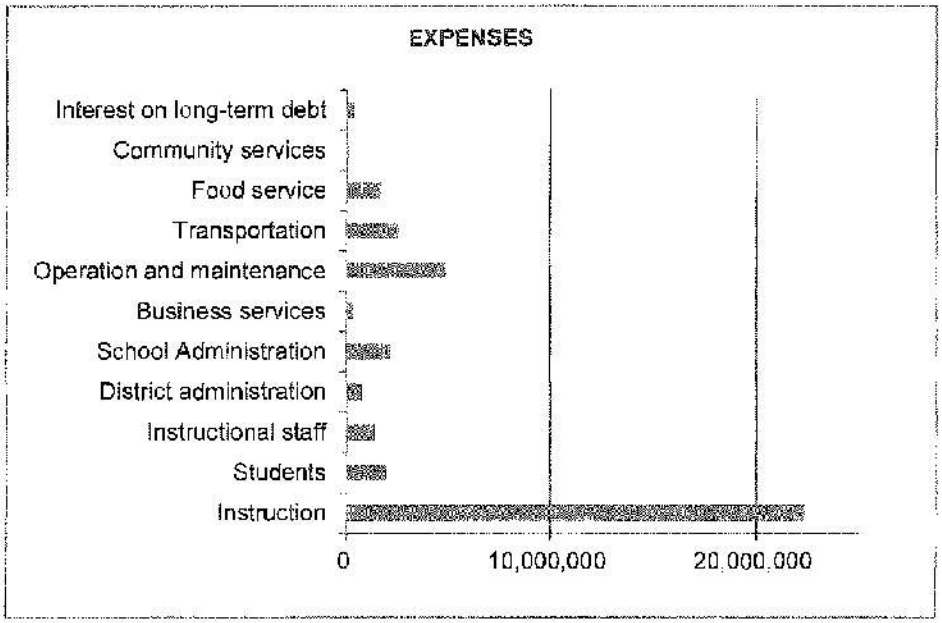
The reason for the decrease in the Net Assets was recording Other Post-Employment Benefit liability in the amount of $7,198,673. Additional information can be found in Note 9 to the basic financial statements.

The major reason for the increase in capital grants and contributions of $792,606 was the receipt of School Business Authority Projects.

The following chart shows the Board's revenues for fiscal year ended June 30, 2011 by source:



The following chart shows the Board's expenses for fiscal year ended June 30, 2011 by function:



Expenditures decreased by $1,129,638 for many reasons. One reason is there was not a major textbook adoption in fiscal year 2011. Another main reason for the decrease is due to a reduction in the number of personnel employed.

Financial Analysis of the Board's Funds

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the Board completed the year, its governmental funds reported a combined fund balance of $2,403,559. A portion of this balance, $4,636,746, has been reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and purchase orders of the prior period. The final component of fund balance, the unassigned is reported as a negative $(6,055,613) and is a result of the recognition of the OPEB liability, $7,198,673, as a current liability in the fund financial statements.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget revisions reflected changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of $6,029,003 in total general fund expenditures. The major portion of the increase is due to the re-establishment of the budget balances from the prior year and the current fiscal year restricted grants.

Capital Assets and Long-term Liabilities

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2011, amounts to $17,479,947 (net of accumulated depreciation). This investment in capital assets includes land, site improvements, buildings and improvements, furniture and equipment, and vehicles. The total increase in the Board's investment in capital assets for the current fiscal year was $632,339 or 3.6 percent.

Asset Additions	FY 2011	FY 2010
Land	$ 2,123,795	$ 2,123,795
Long term site improvements	1,687	2,108
Buildings and improvements	13,678,106	13,130,953
Furniture and equipment	296,059	231,428
Vehicles	1,380,300	1,359,324
Total capital assets	$ 17,479,947	$ 16,847,608

Additional information on the Board's capital assets can be found in Note 6 to the basic financial statements.

Long-term liabilities - The only long-term liability that the Board has is due to total bonded debt outstanding of $6,310,000 and no capital lease obligations. At June 30, 2010, the Board had a long term liabilities of $7,395,000.

Factors Bearing on the Board's Future

At the time these financial statements were prepared and audited, the Board was aware of circumstances that could significantly affect its financial health in the future:

Beginning July 1, 2007, because of the State of West Virginia implementation of GASB Statement 45, West Virginia State Code required the Board to participate in a new Other Post-Employee Benefit multi-employer trust fund for sick leave liability. As such, the Board received billings from the trust fund which when paid will increase the Board's cash expenditures. Currently, the Board anticipates the billings to be approximately $3,289,347. To date, the State of West Virginia has not established and funding source to offset this payment. With the Board's implementation of GASB Statement 45 in fiscal year 2009, the liability for these payments will be reflected on the Board's funds statements. Additional information can be found in Note 9 to the basic financial statements.

Additional information on the Board's excess levy can be found in Note 5 to the basic financial statements. The continuation of the five year Excess Levy was submitted to the voters at the General Election held November 4, 2008 for their approval and passed.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Brooke County Board of Education, 1201 Pleasant Avenue, Wellsburg, WV, 26070.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	7,082,559
Investments		4,271,377
Taxes receivable, net of allowance for uncollectible taxes		590,150
Food services receivable		21,890
Other receivables		1,185,822
Deferred Charges - issuance costs		19,325
Due from other governments:		
State aid receivable		63,373
PEIA allocation receivable		429,006
Reimbursements receivable		11,534
Capital Assets not being depreciated:		
Land		2,123,795
Capital Assets being depreciated:		
Long-term site improvements		941,327
Buildings and improvements		30,453,278
Furniture and equipment		5,485,456
Vehicles		3,507,306
Less accumulated depreciation		(25,031,215)
Total capital assets, net of depreciation		17,479,947
Total assets	$	31,154,983
LIABILITIES AND NET ASSETS		
Liabilities:		
Salaries payable and related payroll liabilities		2,010,684
PEIA premiums payable		411,402
Deferred revenues		717,956
Accounts payable		299,692
Other post employment benefit payable - state aid funded employees		6,269,923
Other post employment benefit payable - all other employees		928,750
Long-term obligations:		
Due within one year:		
Bonds, capital leases, and contracts		1,140,000
Accrued interest		49,133
Due beyond one year:		
Bonds, capital leases, and contracts		5,170,000
Total liabilities		16,997,540

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

		Governmental Activities
Net Assets:		
Invested in capital assets, net of related debt	$	11,169,947
Restricted for:		
Debt service		1,392,689
Special projects		319,654
Worker's compensation		-
Capital projects		2,415,093
Unrestricted		(1,139,940)
Total net assets	$	14,157,443

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue & Changes in Net Assets Governmental Activities
Governmental activities:					
Instruction	$ 22,336,415	$ 18,203	$ 2,614,768	$ 600,233	$ (19,103,211)
Supporting services:					
Students	1,967,706	1,777	231,470	58,586	(1,675,873)
Instructional staff	1,381,029	1,249	450,850	41,183	(887,747)
District administration	714,320	646	67,231	21,294	(625,149)
School administration	2,135,982	1,931	201,010	63,666	(1,869,375)
Business services	331,710	298	31,056	9,836	(290,520)
Operation and maintenance of facilities	4,895,970	4,583	477,101	151,112	(4,263,174)
Student transportation	2,525,576	2,124	221,145	70,043	(2,232,264)
Food services	1,705,365	1,541	1,184,905	50,803	(468,116)
Community services	137,850	125	12,968	4,107	(120,650)
Interest on long-term debt	337,737	305	31,738	10,053	(295,641)
Total governmental activities	$ 38,469,660	$ 32,782	$ 5,524,242	$ 1,080,916	(31,831,720)
General revenues:					
Property taxes					11,705,881
Unrestricted state aid					17,146,376
Unrestricted investment earnings					60,443
Unrestricted grants and contributions					951,433
Total general revenues					29,864,133
Change in net assets					(1,967,587)
Net assets - beginning					16,125,030
Net assets - ending					$ 14,157,443

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Total Governmental
ASSETS							
Cash and cash equivalents	$ 5,780,491	$ 587,323	$ -	$ 444	$ 382,768	$ 331,533	$ 7,082,559
Investments	2,839,473	-	-	1,431,904	-	-	4,271,377
Taxes receivable, net	469,031	-	-	121,119	-	-	590,150
Food service receivable, net	-	21,890	-	-	-	-	21,890
Other receivables	734,170	450,289	1,363	-	-	-	1,185,822
Due from other governments:							
State aid receivable	63,373	-	-	-	-	-	63,373
PEIA allocation receivable	429,006	-	-	-	-	-	429,006
Reimbursements receivable	11,534	-	-	-	-	-	11,534
Due from other funds	1,363	-	-	-	-	-	1,363
Total assets	$10,328,441	$1,059,502	$ 1,363	$1,553,467	$ 382,768	$ 331,533	$ 13,657,074
LIABILITIES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liabilities	$ 2,010,684	$ -	$ -	$ -	$ -	$ -	$ 2,010,684
Other post employment benefits payable:							
state aid funded	6,269,923	-	-	-	-	-	6,269,923
all other employees	928,750	-	-	-	-	-	928,750
PEIA premiums payable	411,402	-	-	-	-	-	411,402
Accounts payable	299,692	-	-	-	-	-	299,692
Deferred revenue	480,208	739,848	-	111,645	-	-	1,331,701
Due to other funds	-	-	1,363	-	-	-	1,363
Total liabilities	10,400,659	739,848	1,363	111,645	-	-	11,253,515
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	267,996	215,014	914,508	1,441,822	382,768	26,697	3,248,805
Committed	4,636,746	-	-	-	-	-	4,636,746
Assigned	137,742	116,052	14,991	-	-	304,836	573,621
Unassigned	(5,114,702)	(11,412)	(929,499)	-	-	-	(6,055,613)
Total fund balances	(72,218)	319,654	-	1,441,822	382,768	331,533	2,403,559
TOTAL LIABILITIES AND FUND BALANCES	$10,328,441	$1,059,502	$ 1,363	$1,553,467	$ 382,768	$ 331,533	$ 13,657,074

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2011

Total fund balances on the governmental fund's balance sheet	$ 2,403,559
Amounts reported for governmental activities in the statement of net assets are different due to:	
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds. (Note 6)	17,479,947
Deferred charges are not reported in the funds	19,325
Receivable amounts that will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds.	
Taxes receivable	507,472
Medicaid receivable	68,659
E-rate receivable	4,189
Food service receivable	21,890
CPS Zone receivable	11,534
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(6,310,000)
Accrued interest on bonds	(49,132)
Net assets of governmental activities	$ 14,157,443

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Total Governmental
Revenues:							
Property taxes	$ 10,271,518	$ -	$ -	$1,409,128	$ -	$ -	$ 11,680,646
Other Local sources	351,875	341,871	-	3,307	5,509	1,541	704,103
State sources	17,150,435	995,500	-	-	-	1,080,916	19,226,851
Federal sources	757,190	2,513,810	1,606,717	-	-	-	4,877,717
Total revenues	28,531,018	3,851,181	1,606,717	1,412,435	5,509	1,082,457	36,489,317
Expenditures:							
Instruction	17,659,759	2,105,669	1,539,510	-	-	-	21,304,938
Supporting services:							
Students	1,617,284	349,779	643	-	-	-	1,967,706
Instructional staff	1,081,847	285,807	13,375	-	-	-	1,381,029
Central administration	584,780	6,000	-	-	-	-	590,780
School administration	2,134,182	1,800	-	-	-	-	2,135,982
Business	327,844	-	-	-	-	-	327,844
Operation and maintenance of facilities	4,689,338	78	1,363	-	3,304	107,949	4,802,032
Student transportation	2,243,288	175,878	39,706	-	-	-	2,458,872
Food services	-	1,705,365	-	-	-	-	1,705,365
Community services	56,962	80,888	-	-	-	-	137,850
Capital outlay	350,637	27,325	-	-	503,323	1,066,713	1,947,998
Debt service:							
Principal retirement	-	-	-	1,085,000	-	-	1,085,000
Interest and fiscal charges	-	-	-	345,875	-	-	345,875
Total expenditures	30,745,921	4,738,589	1,594,597	1,430,875	506,627	1,174,662	40,191,271

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Total Governmental
Excess (deficiency) of revenues over expenditures	$ (2,214,903)	$ (887,408)	$ 12,120	$ (18,440)	$ (501,118)	$ (92,205)	$ (3,701,954)
Other financing sources (uses):							
Transfers in	36,324	676,657	-	-	-	-	712,981
Transfers (out)	(676,657)	(24,204)	(12,120)	-	-	-	(712,981)
Total other financing sources (uses)	(640,333)	652,453	(12,120)	-	-	-	-
Net change in fund balances	(2,855,236)	(234,955)	-	(18,440)	(501,118)	(92,205)	(3,701,954)
Fund balances - beginning	2,783,018	554,609	-	1,460,262	883,886	423,738	6,105,513
Fund balances - ending	$ (72,218)	$ 319,654	$ -	$1,441,822	$ 382,768	$ 331,533	$ 2,403,559

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2011

Amounts reported for governmental activities in the statement of activities are different due to:

Net change in fund balances - total governmental funds		$ (3,701,954)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect on net assets is the amount by which capital outlays exceed depreciation in the current period. (Note 6)		
Depreciation expense		(1,315,659)
Capital outlays		1,947,997
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, rather they are reported as deferred revenues.		
Taxes receivable	[current year $507,472 less prior year $ 482,237]	25,235
Medicaid receivable	[current year $68,659 less prior year $0]	68,659
E-rate receivable	[current year $4,188 less prior year $34,547]	(30,358)
Food service receivable	[current year $ 21,890 less prior year $ 24,203]	(2,313)
Athletic Complex receivable	[current year $ 0 less prior year $ 60,000]	(60,000)
CPS Zone receivable	[current year $ 11,534 less prior year $ 0]	11,534
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net assets. (Note 7)		
Bonds payable		1,085,000
Amortization of bond issuance costs are reported in the statement of activities but do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds		(3,865)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		8,137
Change in net assets of governmental activities		$ (1,967,587)

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND
For the Year Ended June 30, 2011

	Agency Fund School Activity Funds
ASSETS	
Cash and cash equivalents	$ 289,488
Total assets	$ 289,488
LIABILITIES	
Due to Student Activities	289,488
Total liabilities	$ 289,488

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the ultimate standard-setting body for state and local governments.

A. Reporting Entity:

The Brooke County Board of Education (the Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school board and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement No. 14 (as amended by GASB Statement No. 39) establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The Board has no component units, defined by GASB Statement No. 14 (as amended by GASB Statement No. 39) as other legally separate organizations for which the elected board members are financially accountable.

B. Government-wide and Fund Financial Statements:

The Government-wide financial statements (the statement of net assets and the statement of activities) display information about the Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a function or segment and, therefore, are clearly identifiable to a particular function or segment.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The fund financial statements provide information about the individual funds maintained by the School Board. All funds maintained by the school Board are considered to be major funds for reporting purposes and are presented in individual separate columns.

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Special Revenue Fund – American Reinvestment and Recovery Act (ARRA): A separate special revenue fund to account for all revenues and expenditures attributable to ARRA funds that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects, and; one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: school activity funds to account for the assets of the individual schools of the Board, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the school Board by a benefactor for the purpose of providing scholarships for graduates of the county school Board.

C. Measurement Focus and Basis of Accounting:

The Government-wide statements (Statement of Net Assets and the Statement of Activities) were prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows are received. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place; revenues and expenses resulting from non-exchange transactions, such as property taxes, federal and state grants, state aid to schools, and donations, are recognized in accordance with the requirements of GASB Statement No. 33. Property taxes are recognized in the fiscal year for which the taxes are levied; state aid to schools is recognized in the year for which the legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues available if they are collectible within 60 days after year-end, except taxes which are recognized if collectible within 30 days after year end. Expenditures are recorded generally when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing resources.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances:

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported in the appropriate fund balance category (restricted, committed or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2011 were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Investments of the Board at June 30, 2011 consisted of the following:

	Carrying Amount	Estimated Fair Value	Book Balance
State Investment Pool	$ 344,087	$ 344,087	$ 344,087
Municipal Bond Commission	3,927,290	3,927,290	3,927,290
Total investments	$ 4,271,377	$ 4,271,377	$ 4,271,377

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the Board's name. **Custodial credit risk** is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short-term investments that are less affected by changes in market rates as compared to long-term investments.

At June 30, 2011, the Board has $4,271,377 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2011, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by $2,000 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund Receivables and Payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Capital Assets:

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the Government-wide financial statements. The Board defines capital assets as assets with an initial, individual cost of $5,000 or more for land, furniture, vehicles, and equipment and $100,000 for buildings with an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Site Improvements	20 – 35
Furniture and Equipment	5 – 20
Vehicles	8 – 12

I. Compensated Absences and Special Termination Benefits:

Compensated Absences:

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick benefits can be accumulated without limitation, respectively, and carried forward to the subsequent fiscal year but do not vest. All vacation pay is accrued when incurred. An employee can elect to use vacation and sick benefits toward their postemployment heath care insurance premium if employed prior to July 1, 2001. Also, if an employee is a member of the Teachers' Defined Benefit Retirement System may elect to use vacation and sick benefits toward additional years of service.

Special Termination Benefits:

When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board.

The payment of health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia State Legislature appropriates funds that are used by the Board to pay for its obligations for this special termination benefit. Because such appropriations are at the discretion of the Legislature and not guaranteed, the liability for sick leave convertible to health insurance premiums using the vesting method is recorded in the Board's financial statements. The Board records this liability utilizing the guidance of GASB Statements No. 43 and No. 45.

J. Long-term Obligations:

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

K. Restricted Net Assets:

For the Government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

L. Fund Equity:

Effective July 1, 2010, the Board adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* which establishes new standards of accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2011. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member Board or by a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

M. Elimination and Reclassifications:

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

N. Accounting Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. Restricted Resources:

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unassigned.

Note 2 - Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 24 – As of July 1, 2010, the Board implemented GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This statement requires the Board to record as a revenue and expenditure on behalf payments made by the State to the Consolidated Public Retirement Board for the unfunded liability of the Teachers Retirement System and disclose those amounts in the accompanying notes to the financial statements.

GASB 54 – As of July 1, 2010, the Board implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the terminology used to describe fund balances in the governmental funds and expanded the disclosure of those new definitions in the accompanying notes to the financial statements of the Board for the year ended June 30, 2011.

Note 3 - Risk Management:

The Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third-party liability claims.

Public Employees Insurance Agency (PEIA): The Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Members may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third party insurer.

Workers Compensation Fund (WCF): West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the State. Other private insurance companies can begin to offer coverage to private-sector employers beginning July 1, 2009 and to government employers July 1, 2010. Nearly every employer in the State, including all boards of education, which have a payroll must have coverage. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Note 4 - Property Taxes:

All property in the State is classified as follows for ad valorem tax purposes:

Class I -	All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.
Class II -	All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.
Class III -	All real and personal property situated outside of municipalities, exclusive of Class I and II property.
Class IV -	All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code §11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I - 22.95¢ per $100 of assessed valuation; Class II - 45.90¢ per $100 of assessed valuation; Class III - 91.80¢ per $100 of assessed valuation; and Class IV - 91.80¢ per $100 of assessed valuation.

Pursuant to West Virginia Code §11-8-6f, however, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessor's Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

The assessed valuations and levy rates levied by the Board per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2011 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ 0	19.40¢	22.95¢	5.74¢
Class II	$ 259,216,490	38.80¢	45.90¢	11.48¢
Class III	$ 88,287,134	77.60¢	91.80¢	22.96¢
Class IV	$ 404,734,828	77.60¢	91.80¢	22.96¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

Taxes Receivable:

Taxes receivable as of year end for the Board's funds are as follows:

	General Fund	Special Revenue Fund
Taxes Receivable	$ 890,925	$ 122,051
Less: allowance for uncollectible	(421,894)	(932)
Net total taxes receivable	$ 469,031	$ 121,119

Note 5 - Excess Levy:

The Board had an excess levy in effect during the fiscal year ended June 30, 2011. The levy was authorized by the voters of the county at an election held on November 4, 2008 for the fiscal years ended June 30,2010 through June 30, 2014 to provide funds for the following purposes:

A. To provide instructional materials including, but not limited to, textbooks, workbooks, computer software, library materials, other instructional materials, supplies and equipment for all students enrolled in Brooke County Schools and to improve access to technology through the purchase of hardware, software, infrastructure, repair, and training. To maintain, upgrade and connection to the West Virginia Education Information System, approximately $350,000 annually.

B. To provide for the health and safety of students enrolled in Brooke County Schools through capital improvements, security, maintenance, renovations and repairs of facilities. To comply with the fire marshal, health, and American Disabilities Act Requirements, E.P.A. and OSHA standards. To provide contract services, fire insurance, general liability insurance, and payment of utilities, approximately $1,950,000 annually.

C. To provide toward employee salaries / benefits annually:

1. To provide toward employee supplements and positions not funded by the State, extra-curricular positions, substitute costs for both service and professionals, and fixed charges approximately $2,461,600 annually.

2. Extra duty wages for the purpose of providing for academic and athletic trips and to provide for student body activities, approximately $65,000 annually.

3. To provide dental and optical coverage, health insurance, and retirement costs for all employees approximately $555,000 annually.

D. To provide legal and medical advisor fees, approximately $55,000 annually.

E. To fund necessary added services such as homebound and tutoring services including fixed costs, speech therapy, psychological services, occupational therapy, physical therapy, expulsion hearings, court recorders, grievances, RESA 6 and other qualified agencies, approximately $95,000 annually.

A total of $5,644,915 was received by the Board from the excess levy during the fiscal year ended June 30, 2011.

Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, non-depreciable:				
Land	$ 2,123,795	$ -	$ -	$ 2,123,795
Total non-depreciable capital assets	2,123,795	-	-	2,123,795
Capital assets, depreciable:				
Long-term site improvements	941,327	-	-	941,327
Buildings and improvements	28,896,942	1,556,336	-	30,453,278
Furniture and equipment	5,444,573	106,593	(65,710)	5,485,456
Vehicles	3,222,238	285,068	-	3,507,306
Total depreciable capital assets	38,505,080	1,947,997	(65,710)	40,387,367
Less accumulated depreciation for:				
Long-term site improvements	(939,218)	(422)	-	(939,640)
Buildings and improvements	(15,765,988)	(1,009,184)	-	(16,775,172)
Furniture and equipment	(5,213,146)	(41,961)	65,710	(5,189,397)
Vehicles	(1,862,914)	(264,092)	-	(2,127,006)
Total accumulated depreciation	(23,781,266)	(1,315,659)	65,710	(25,031,215)
Total depreciable capital assets, net	14,723,814	632,338	-	15,356,152
Total capital assets, net	$ 16,847,609	$ 632,338	$ -	$ 17,479,947

Depreciation expense was charged to functions of the governmental activities as follows:

Instruction	$ 1,031,477
Supporting Services:	
Central administration	123,540
Operation and maintenance of facilities	93,938
Transportation	66,704
Total depreciation expense - governmental activities	$ 1,315,659

Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
General obligation debt	$ 7,395,000	$ -	$ 1,085,000	$ 6,310,000	$ 1,140,000	$ 5,170,000
Total Long-term liabilities	$ 7,395,000	$ -	$ 1,085,000	$ 6,310,000	$ 1,140,000	$ 5,170,000

On November 3, 2000, the Board issued $15,000,000 in general obligation bonds to provide funds for school additions and renovations. The bonds mature in varying annual increments through May 1, 2011 and interest is payable semiannually at 4.5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	$ 1,140,000	$ 294,800	$ 1,434,800
2013	1,200,000	243,500	1,443,500
2014	1,260,000	189,500	1,449,500
2015	1,320,000	131,540	1,451,540
2016	1,390,000	69,500	1,459,500
Total	$ 6,310,000	$ 928,840	$ 7,238,840

Total bonded indebtedness at July 1, 2010	$ 7,395,000
Maturities	(1,085,000)
Total bonded indebtedness at June 30, 2011	$ 6,310,000

Note 8 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Defined Benefit Retirement System or the Teachers' Defined Contribution Retirement System. For the year ended June 30, 2011, the Board's total payroll for all employees was $20,545,881 and the payroll was $19,447,098 for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to the employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as State revenue (Contributions For/On Behalf of the LEA) in the Board's financial statements. The balance is considered to be the State's contribution toward the past service unfunded liability and is not included either as revenue or expenditure in the Board's financial statements.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

Conversion of leave for post-retirement: Upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree.

Teachers' Defined Benefit Retirement System:

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement, members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2010 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $4.8 billion as of July 1, 2010.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The employers' contributions are derived from State appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2011 and the two previous years were:

Year Ended June 30	2009	2010	2011
Required contributions	$404,547,000	$ 487,886,000	$ 471,171,000
As a % of current year covered payroll	25.89%	29.57%	28.55%

The financial statements include amounts paid for/on behalf of the county by the State of West Virginia for the unfunded liability portion of retirement benefits. The for/on behalf payment for the year ended June 30, 2011 was $4,637,663.

Total payments reflected in the Board's financial statements to the defined benefit plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (6%)	$ 1,069,522
Employer's contributions (15% or 7.5%)	1,936,472
Total contributions	$ 3,005,994

Teachers' Defined Contribution Retirement System:

Plan Description: All Board employees hired after July 1, 1991 but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the fiscal year ending June 30, 2009. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Orchard SecureFoundation Balanced, Orchard Lifetime 2015 Fund II, Orchard Lifetime 2025 Fund II, Orchard Lifetime 2035 Fund II, Orchard Lifetime 2045 Fund II, Orchard Lifetime 2055 Fund II, American Funds EuroPacific R5, Mutual Global Discovery Fund - Z, Heartland Value Plus Inst, Sentinel Small Company I, Vanguard Small-Cap Index Fund – Inv, Scout Mid Cap, Westcore Select, JHancock Large Cap Equity I, Putnam Equity Income Y, Vanguard Large Cap Index Inv, PIMCO Total Return Fund – Admin, TIAA-CREF High-Yield Inst, Vanguard Interm-Term Bond Index Fund and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2011, this plan had approximately $ 251.82 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West, an independent third party administrator.

Funding Status: There is no unfunded liability for a defined contribution plan since a member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon. Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teachers' Defined Benefit Retirement System.

Contribution Requirements and Payments Made: This is a fully-qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 4.5% of their gross salary and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 12% annually.

Total payments reflected in the Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (4.5%)	$	72,883
Employer's contributions (7.5%)		121,472
Total contributions	$	194,355

The Consolidated Public Employees Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, 4101 MacCorkle Ave. S.E., Charleston, WV 25304-1636.

Note 9 - Post Employment Benefits Other Than Pension:

The Governmental Accounting Standards Board (GASB) issued Statement No. 45 in 2004 to establish standards for the measurement, recognition, and reporting of Other Post Employment Benefits (OPEB) expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards to the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teacher's Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2011 was determined to be:

	Total	Amount Per Policy Holder
Total Annual Required Contribution	$ 816,274,000	$ 10,844
Pay as you go - Retiree Subsidy	(145,671,196)	(1,935)
Remaining ARC	$ 816,274,000	$ 8,909

The following summarizes the Board's OPEB activity:

Total OPEB expense	$ 3,289,347
Plus Prior Year Ending Balance	3,909,327
OPEB at year end	$ 7,198,674
Portion attributable to personnel funded through the Public School Support Program (PSSP)	$ 6,269,923
Portion attributable to remaining personnel	$ 928,750

It is the opinion of the Board that the State is constitutionally required to appropriate sufficient funds to cover the cost of the ARC for personnel funded through the Public School Support Program (PSSP), however, no additional funds have been appropriated for this purpose as of the date of this report. Furthermore, the Board has elected, pursuant to the provisions of WVC §5-16D-6, not to remit to the RHBT any amount in excess of the minimum annual required premium payment.

Note 10 - Payments on Behalf:

The Board may receive commitments or payments made by the State or an intermediate governmental jurisdiction for the benefit of the Board or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the State or an intermediate unit on behalf of the Board's employees for services rendered to the Board. The revenues recorded as Payments on Behalf of the Board are as follows:

Retirement allocation by the State (03911)	$	1,651,049

Note 11 - Pending Litigation:

The Board is involved in a number of legal proceedings and claims, involving students, employees and citizens who have sued the Board for damages. While it is not possible to determine the ultimate outcome of any lawsuit with certainty, management believes that the ultimate outcome will not have a material adverse effect on the financial position of the Board. The Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

Note 12 - Restatement of Beginning Fund Balance:

There were no fund balances at the beginning of the year requiring restatement.

Note 13 - Committed Fund Balance - Designated:

The Board has designated a portion of the committed balance of the General Current Expense Fund at June 30, 2011 to be expended for the following purposes:

Purpose		Amount
School Improvement	$	470,826
PBS		6,329
Employees Over the Formula		2,400,000
Flood Relief - Donations		5,711
Retirement		200,000
Insurance		600,000
Technology		116,602
Asbestos		45,000
County Vehicles		30,000
School Improvement - EPS & BPS		253,000
Furniture		90,702
Building Improvement		250,400
Carpet & Tile		77,201
School to Work		21,203
Wellness Center		43,813
Arcelor Mittal Grant - CPS & MPS		4,858
Tennis Court		21,100
Total Committed Fund Balance -- Designated	$	4,636,745

Note 14 – Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2011 are as follows:

Fund Balance	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Bond Construction Fund
Restricted:					
Special projects	$ 267,996	$ 215,014	$ 914,508	$ -	$ -
Capital projects	-	-	-	-	382,768
Debt service	-	-	-	1,441,822	-
Committed:					
Earmarked Funds	4,636,746	-	-	-	-
Assigned:					
Encumbrances	137,742	116,052	14,991	-	-
Unassigned:	(5,114,702)	(11,412)	(929,499)	-	-
Total fund balances	$ (72,218)	$ 319,654	$ -	$ 1,441,822	$ 382,768

	Permanent Improvement Fund	Total Governmental
Restricted:		
Special projects	$ -	$ 1,397,518
Capital projects	26,697	409,465
Debt service	-	1,441,822
Committed:		
Earmarked Funds	-	4,636,746
Assigned:		
Encumbrances	304,836	573,621
Unassigned:	-	(6,055,613)
Total fund balances	$ 331,533	$ 2,403,559

Note 15 - Commitments, Contingencies and Subsequent Events:

The Board had encumbrances totaling $1,978,158 as of June 30, 2011 in the following funds:

General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund	Bond Construction Fund	Permanent Improvement Fund	Total
405,739	$ 331,066	$ 929,499	$ 7,018	$ 304,836	$ 1,978,158

Encumbrances are classified as Restricted, Committed, or Assigned fund balance depending on the specific purpose of the encumbrance.

During the fiscal year ended June 30, 2011, the Board was awarded grants in the amount of $77,327 and up to $1,429,586 from the School Building Authority (SBA) to finance the construction of the School Safety Access Plan and Roof Replacement at Brooke High School, respectively.

As of June 30, 2011 the following commitments for construction and other capital improvements existed, which are included in the restricted fund balance reflected in the accompanying financial statements:

Brooke High School Roof (From SBA)	$ 914,508
Brooke High School Roof (Local Share)	$ 304,836

Subsequent to June 30, 2011, the following additional commitments for construction and other capital improvements have been entered into:

Brooke High School Change Orders	$ 25,866

During the fiscal year ended June 30, 2010, the Board began pursuing legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing other postemployment benefits to employees otherwise funding through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability entitled "other postemployment benefits payable state aid eligible employees" on the accompanying financial statement and to pay any future amounts billed by PEIA for state aid eligible employees.

Note 16 - Interfund Balances and Transfers:

During the year ended June 30, 2011, the General fund transferred $676,657 to the Special Revenue fund to cover the expenditures as follows:

Food Service Program	$ 676,657

During the year ended June 30, 2011, the Special Revenue fund and Special Revenue fund - ARRA transferred $24,204 and $12,120, respectively, to the General fund to cover the expenditures as follows:

Indirect Costs	$ 36,324

Note 17 - Major Sources of Revenue:

The largest single source of revenue received by the Board is state aid funds through the Public School Support Program. In addition, the Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the Board's independent auditor and state and federal regulatory agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

Note 18 - Reissuance of Financial Statements:

The financial statements of the Brooke County Board of Education for fiscal year ended June 30, 2011 required reissuance due to the restatement of certain account balances. Specifically, the restatement included an increase to other receivables of $581,417 and an increase of $581,417 to operating grants and contributions: instruction at the government-wide level. The restatement included an increase to other receivables of $581,417 and an increase to general fund state revenue at the fund level. In addition, a restatement of $11,534 was made to increase operating grants and contributions: student transportation and decrease in deferred revenue at the government-wide level.

REQUIRED SUPPLEMENTARY INFORMATION

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance With
			Modified	Budget	Budget	Final Budget
	Original	Final	Accrual Basis	Basis	Basis	Favorable (Unfavorable)
Revenues:						
Property taxes	$ 9,927,320	$ 10,117,320	$ 10,271,518	$ -	$ 10,271,518	$ 154,198
Other Local sources	308,990	340,183	351,875	-	351,875	11,692
State sources	17,405,015	17,657,365	17,150,435	-	17,150,435	(506,930)
Federal sources	-	-	757,190	-	757,190	757,190
Miscellaneous sources	66,010	42,194	-	-	-	(42,194)
Total revenues	27,707,335	28,157,062	28,531,018	-	28,531,018	373,956
Expenditures:						
Instruction	15,596,065	19,754,441	17,659,759	(2,088,953)	15,570,806	4,183,635
Supporting services:						
Students	1,473,690	1,483,636	1,617,284	(142,220)	1,475,064	8,572
Instructional staff	656,590	987,644	1,081,847	(105,392)	976,455	11,189
Central administration	918,740	1,184,413	584,780	(35,004)	549,776	634,637
School administration	1,911,260	1,931,595	2,134,182	(247,460)	1,886,722	44,873
Business	341,710	342,285	327,844	(35,004)	292,840	49,445
Operation and maintenance of facilities	3,868,020	4,638,832	4,689,338	(365,863)	4,323,475	315,357
Student transportation	2,232,220	2,669,132	2,243,288	(269,451)	1,973,837	695,295
Community services	51,200	101,520	56,962	-	56,962	44,558
Capital outlay	15,000	-	350,637	-	350,637	(350,637)
Total expenditures	27,064,495	33,093,498	30,745,921	(3,289,347)	27,456,574	5,636,924
Excess (deficiency) of revenues over expenditures	$ 642,840	$ (4,936,436)	$ (2,214,903)	$ 3,289,347	$ 1,074,444	$ 6,010,880

The notes to the required supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL - GENERAL FUND

For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance With
			Modified	Budget	Budget	Final Budget
	Original	Final	Accrual Basis	Basis	Basis	Favorable (Unfavorable)
Other financing sources (uses):						
Transfers in	$ -	$ -	$ 36,324	$ -	$ 36,324	$ 36,324
Transfers (out)	(792,840)	(1,755,908)	(676,657)	-	(676,657)	1,079,251
Total other financing sources (uses)	(792,840)	(1,755,908)	(640,333)	-	(640,333)	1,115,575
Change in fund balances	(150,000)	(6,692,344)	(2,855,236)	3,289,347	434,111	7,126,455
Fund balance - beginning	150,000	6,692,344	2,783,018	3,909,326	6,692,344	-
Fund balance - ending	$ -	$ -	$ (72,218)	$ 7,198,673	$ 7,126,455	$ 7,126,455

The notes to the required supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
Local sources	$ 291,773	$ 423,045	$ 341,871	$ (81,174)
State sources	933,930	1,187,319	995,500	(191,819)
Federal sources	2,638,117	2,815,404	2,513,810	(301,594)
Total revenues	3,863,820	4,425,768	3,851,181	(574,587)
Expenditures:				
Instruction	291,155	2,880,302	2,105,669	774,633
Supporting services:				
Students	-	407,208	349,779	57,429
Instructional staff	14,426	422,338	285,807	136,531
Central administration	-	7,800	7,800	-
Business	-	6,350	-	6,350
Operation and maintenance of facilities	-	78	78	-
Student transportation	2,440,473	422,008	175,878	246,130
Food services	1,910,606	1,975,495	1,705,365	270,130
Community services	-	125,000	80,888	44,112
Capital outlay	-	27,325	27,325	-
Total expenditures	4,656,660	6,273,904	4,738,589	1,535,315
Excess (deficiency) of revenues over expenditures	(792,840)	(1,848,136)	(887,408)	960,728
Other financing sources (uses):				
Transfers in	792,840	1,323,645	676,657	(646,988)
Transfers (out)	-	(30,118)	(24,204)	5,914
Total other financing sources (uses)	792,840	1,293,527	652,453	(641,074)
Change in fund balances	-	(554,609)	(234,955)	319,654
Fund balance - beginning	-	554,609	554,609	-
Fund balance - ending	$ -	$ -	$ 319,654	$ 319,654

The notes to the required supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - ARRA
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues:				
Federal sources	$ 1,122,885	$ 3,049,930	$ 1,606,717	$ (1,443,213)
Total revenues	1,122,885	3,049,930	1,606,717	(1,443,213)
Expenditures:				
Instruction	1,122,885	1,539,485	1,539,510	(25)
Supporting services:				
Students	-	2,567	643	1,924
Instructional staff	-	27,462	13,375	14,087
Operation and maintenance of facilities	-	1,429,586	1,363	1,428,223
Student transportation	-	38,710	39,706	(996)
Total expenditures	1,122,885	3,037,810	1,594,597	1,443,213
Excess (deficiency) of revenues over expenditures	-	12,120	12,120	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	(12,120)	(12,120)	-
Total other financing sources (uses)	-	(12,120)	(12,120)	-
Change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -

The notes to the required supplementary information is an integral part of this schedule.

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds, but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2011, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Fund: General Current Expense Fund

Function	Amount
Capital Outlay	$ (350,637)

Fund: Special Revenue Fund - ARRA

Function	Amount
Instruction	$ (25)
Student Transportation	(996)

The overexpenditures in these programs were funded by a reduction of expenditures in the remaining instructional programs, available beginning fund balance and revenues received in excess of the anticipated amounts budgeted.

SUPPLEMENTARY INFORMATION

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
Local sources	$ 1,428,625	$ 1,428,625	$ 1,409,128	$ (19,497)
State sources	-	-	3,307	3,307
Total revenues	1,428,625	1,428,625	1,412,435	(16,190)
Expenditures:				
Debt service:				
Principal retirement	1,095,000	2,543,012	1,085,000	1,458,012
Interest and fiscal charges	343,625	345,875	345,875	-
Total expenditures	1,438,625	2,888,887	1,430,875	1,458,012
Excess (deficiency) of revenues over expenditures	(10,000)	(1,460,262)	(18,440)	1,441,822
Change in fund balances	(10,000)	(1,460,262)	(18,440)	1,441,822
Fund balance - beginning	10,000	1,460,262	1,460,262	-
Fund balance - ending	$ -	$ -	$ 1,441,822	$ 1,441,822

The notes to the supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget
	Original	Final	Accrual Basis	Favorable (Unfavorable)
Revenues:				
Other local sources	$ -	$ -	$ 1,541	$ 1,541
State sources	-	-	1,080,916	(1,080,916)
Total revenues	-	-	1,082,457	1,082,457
Expenditures:				
Capital outlay	-	1,066,713	1,066,713	-
Operation and maintenance of facilities	-	107,949	107,949	-
Total expenditures	-	1,174,662	1,174,662	-
Excess (deficiency) of revenues over expenditures	-	(1,174,662)	(92,205)	1,082,457
Other financing sources (uses):				
Transfers in	-	750,924	-	(750,924)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	750,924	-	(750,924)
Change in fund balances	-	(423,738)	(92,205)	331,533
Fund balance - beginning	-	423,738	423,738	-
Fund balance - ending	$ -	$ -	$ 331,533	$ 331,533

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS - BOND CONSTRUCTION FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget
	Original	Final	Accrual Basis	Favorable (Unfavorable)
Revenues:				
Other local sources	$ -	$ -	$ 5,509	$ 5,509
Total revenues	-	-	5,509	5,509
Expenditures:				
Capital outlay	400,000	503,323	503,323	-
Instruction	-	5,000	-	5,000
Operation and maintenance of facilities	-	375,563	3,304	372,259
Total expenditures	400,000	883,886	506,627	377,259
Excess (deficiency) of revenues over expenditures	(400,000)	(883,886)	(501,118)	382,768
Change in fund balances	(400,000)	(883,886)	(501,118)	382,768
Fund balance - beginning	400,000	883,886	883,886	-
Fund balance - ending	$ -	$ -	$ 382,768	$ 382,768

The notes to the supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2011

	Cash Balance 7/1/2010	Revenues Received	Expenditures Paid	Cash Balance 6/30/2011
High Schools:				
Brooke County High School	$ 232,297	$ 835,071	$ 890,148	$ 177,220
Total high schools	232,297	835,071	890,148	177,220
Middle and Junior High Schools:				
Follansbee Middle School	21,512	103,032	106,012	18,532
Wellsburg Middle School	32,127	116,639	118,893	29,873
Total middle and junior high schools	53,639	219,671	224,905	48,405
Elementary Schools:				
Beech Bottom Primary School	5,160	13,706	13,984	4,882
Colliers Primary School	10,380	15,730	15,451	10,659
Franklin Primary School	9,413	51,647	52,469	8,591
Hooverson Heights Primary School	3,991	28,087	24,804	7,274
Jefferson Primary School	11,965	38,047	36,485	13,527
L.B. Millsop Primary School	9,472	14,720	14,869	9,323
Wellsburg Primary School	7,997	31,890	30,280	9,607
Total elementary schools	58,378	193,827	188,342	63,863
Total	$ 344,314	$ 1,248,569	$ 1,303,395	$ 289,488

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following fund had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
Debt Service	$ (18,440)
Bond Construction	(501,118)
Permanent Improvement	(92,205)

Funds sufficient to provide for the excess expenditures were made available from other sources within each fund and the deficiency had no impact on the financial results of the Funds.

SINGLE AUDIT REPORTING PACKAGE

BROOKE COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2011

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Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the
Brooke County Board of Education
Wellsburg, West Virginia

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Brooke County Board of Education West Virginia (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements and have issued our report thereon, dated March 5, 2012 except for Note 18 as to which date is May 1, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Brooke County Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 11-01 and 11-02. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-03.

The Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 5, 2012

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Members of the
Brooke County Board of Education
Wellsburg, West Virginia

Compliance

We have audited the compliance of Brooke County Board of Education, West Virginia (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-04.

Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 5, 2012

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
U. S. Department of Agriculture			
Child Nutrition - Cluster :			
Pass-through West Virginia Department of Agriculture			
National School Lunch Program (Noncash - See Note 3)	88	10.555	$ 71,606
Pass-through West Virginia Department of Education			
School Breakfast Program	88	10.553	190,920
National School Lunch Program	88	10.555	444,489
Total Child Nutrition Cluster			707,015
Fresh Fruit and Vegetable Program	88	10.582	4,023
Total Pass-through West Virginia Department of Education			639,432
Total U. S. Department of Agriculture			711,038
U. S. Department of Education			
Pass-through West Virginia Department of Education			
Adult Education - Basic Grants to States	61	84.002	22,113
Title I Cluster:			
Title I Grants to Local Educational Agencies	41	84.010	620,630
Title I Grants to Local Educational Agencies, Recovery Act	41	84.389	168,411
Total Title I Cluster			789,041
Impact Aid School Construction, Recovery Act	25	84.041	1,364

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
U. S. Department of Education (Continued)			
Special Education Cluster:			
Special Education -			
Grants to States (IDEA, Part B)	43	84.027	$ 849,497
Grants to States (IDEA, Part B) Recovery Act	43	84.391	299,077
Preschool Grants (IDEA Preschool)	43	84.173	26,839
Preschool Grants (IDEA Preschool) Recovery Act	43	84.392	10,114
Total Special Education Cluster			1,185,527
Career and Technical Education - Basic Grants to States	50	84.048	57,404
English Language Acquisition Grants	45	84.365	93
Improving Teacher Quality State Grants	41	84.367	156,874
Education Technology State Grants, Recovery Act	58	84.386	4,866
Total Pass-through West Virginia Department of Education			2,217,282
Pass-through West Virginia Governor's Office			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	52	84.394	1,122,885
Total U. S. Department of Education			3,340,167
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 4,051,205

N.A. = Not Available

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Board and is presented on the basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements.

Note 2. Child Nutrition Program

Child Nutrition Program [CFDA #10.553 and #10.555] expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards has been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the two programs as funded from all sources was $707,015.

Note 3. Donated Food Value

Donated food distribution represents surplus agricultural commodities received from the U.S. Department of Agriculture passed through from the West Virginia Department of Agriculture. Commodities are valued based on amounts as established by the U.S. Department of Agriculture. For the year ended June 30, 2011, total value of the donated food inventories was $71,606, which is included in the Child Nutrition cluster of programs.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued :	Unqualified
Internal control over financial reporting :	
• Material weaknesses identified ?	No
• Significant deficiencies identified that are not considered to be material weaknesses ?	Yes
Noncompliance material to financial statements noted ?	Yes

Federal Awards

Internal control over major programs :	
• Material weaknesses identified ?	No
• Significant deficiencies identified that are not considered to be material weaknesses ?	No
Type of auditor's report issued on compliance for major programs :	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section §__510(a) of OMB Circular A-133 ?	No

Identification of major programs :

Name of Federal Program or Cluster	CFDA Numbers
Child Nutrition Cluster	10.553/10.555
Title I Cluster	84.010/84.389
Special Education Cluster	84.027/84.391/84.173/84.392
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Ac	84.394

Dollar threshold used to distinguish between type A and type B program :	$300,000
Auditee qualified as low-risk auditee ?	No

Section II - Financial Statement Findings

Expenditures
11-01

CONDITION:

We determined during our audit of the Brooke County Board of Education that several expenditures were not properly approved, supported, classified or recorded.

CONTEXT:

Specifically, we tested the following expenditures:

Of the 40 general expenditures sampled totaling $474,438 out of a total of $40,191,271, the following problems were noted:

- Four expenditures, or 10% of the sample size in which the expenditure was not properly coded.
- Thirty-eight expenditures, or 95%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.

Of the 60 Title I expenditures sampled, the following problems were noted:

- Three expenditures, or 5% of the sample size, in which the purchase was executed prior to a purchase order being issued.
- Sixty expenditures, or 100%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.
- Five expenditures, or 8%, in which the expenditure was not properly coded.

Of the 60 Child Nutrition expenditures sampled, the following problems were noted:

- Four expenditures, or 7% of the sample size, in which the purchase was executed prior to a purchase order being issued.
- Three expenditures, or 5%, in which the invoice amount exceeded the purchase order amount.
- Sixty expenditures, or 100%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.
- Five expenditures, or 8%, in which the expenditure was not properly coded.

Of the 60 Special Education expenditures sampled, the following problems were noted:

- Three expenditures, or 5% of the sample size, in which the purchase was executed prior to the purchase order being issued.
- Two expenditures, or 3%, in which the invoice amount exceeded the purchase order amount.
- Sixty expenditures, or 100%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.
- Three expenditures, or 5%, in which the expenditure was not properly coded.

Section II - Financial Statement Findings

Expenditures
11-01 (continued)

CRITERIA:

The *Purchasing Policies and Procedures Manual for Local Educational Agencies in the State of West Virginia*, states in part, that:

"2. Purchase Responsibilities.

2.2. According to W.Va. Code §18-9B-10, county boards of education shall:

2.2.1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;

"4. Requisitions and Purchase Orders.

4.1. LEAs are required to maintain a requisition and purchase order system on the West Virginia Education Information System (WVEIS) whereas an approved, pre-numbered purchase order is issued to the successful vendor **prior to an order** for a commodity or service is placed.

4.3. A copy of each approved purchase order must be retained on file. The file copy may be retained either on paper, or electronically if the original approval signatures are available for subsequent review.

Adequate control over budgets, expenditures and the financial records in general require that all expenditures are posted to the correct expenditure codes as directed by the West Virginia Department of Education in the Chart of Accounts. In addition, the accuracy of the financial records and compliance with §18-9B-10 depends on accurate posting of all financial transactions.

Adequate control over expenditures and encumbrances require that all payments be adequately supported with itemized invoices, authorized and verified before payment is made. Such supporting documentation should be "cancelled" to reduce the risk of duplicate payment. In addition, every effort should be made to pay from original invoices rather than copies. Evidence that these procedures are in place and being performed is a further element of the adequate safeguarding of assets.

Section II - Financial Statement Findings

Expenditures
11-01 (continued)

EFFECT:

The Brooke County Board of Education has increased the risk of making expenditures for goods not properly ordered or for goods that were not as requested. The Board also has increased the risk that expenditures may exceed the budget for a line item, expenditures not being properly coded, and duplicate payments being made.

RECOMMENDATION:

The Board should establish procedures to require:

- All purchase orders be issued prior to the purchase and receipt of the invoice.
- All purchases are made within the approved purchase order amount.
- All invoices be cancelled to reduce the risk duplicate payment.
- Each expenditure coded in accordance with the Board of Education's chart of accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Expenditures not properly coded: Updated chart of accounts will be given to the Directors and their secretaries.

Invoices not properly canceled in order to minimize duplication of payment: Secretaries will be given a paid stamp and will be instructed to stamp paid on invoices after they enter the invoice for payment.

Purchases were executed prior to a Purchase Order being issued: Directors and their secretaries will be given the section from the Handbook for School Finance describing the proper procedures to follow.

Invoice amount exceeded the Purchase Order amount: Secretaries will be instructed to request an updated price prior to issuing the Purchase Order.

Section II - Financial Statement Findings

Individual Schools
11-02

Wellsburg Middle School

CONDITION:

The Brooke County Board of Education did not have adequate internal control procedures to assure compliance at the individual school level for Wellsburg Middle School.

CONTEXT:

Specifically, we reviewed Wellsburg Middle School and the following problems were noted:

- Three checks were issued with only one signature.
- One ticket reconciliation form was not completed properly.
- Two profit and loss forms were completed but not signed by the preparer.
- One instance in which monies were deposited into the bank two (2) weeks after receipted.
- One expenditure in which travel was paid at the school level.
- One expenditure was paid from an invoice which was not properly itemized.

CRITERIA:

The *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education, states, in part, that:

- 1-13. Fund Raisers
  A profit and loss statement must be prepared and made available for public inspection for each fund raising activity conducted by a school that shows gross proceeds, cost of goods sold and net proceeds.

- 1-16. Bank Deposits

  To minimize the risk of loss or theft, it is recommended that bank deposits be made on a daily basis. A bank deposit must be made whenever total collections on hand exceed $500 or before any extended school holiday. **Bank deposits must be made at least weekly, regardless of the amount of collections.**

- 1-20. Disbursements

  Two signatures are required on every check issued by the school regardless of the fund from which issued. Both signatures cannot be the same individual

Section II - Financial Statement Findings

Individual Schools
11-02 (continued)

Wellsburg Middle School

- 1-21. Itemized Claim for Payment

  Schools are not permitted to expend any funds unless **an itemized claim (invoice) for payment is filed by the claimant.** If the claim is for services rendered, the invoice must identify the kind of service, the date performed, the person performing the service and the amount due. If the claim is for materials, equipment or supplies, the invoice must identify in detail the vendor, the items provided, the quantity, the date provided, to whom provided and the amount due.

- 4-6. Gate Receipts

  A ticket reconciliation report must be prepared for each event to reconcile tickets sold to cash collected. The report must show the following: beginning cash balance; **first and last numbers of each type of ticket sold (student, adult, other)**; total number of tickets sold by type; price of each type of ticket; total sales; ending cash balance; total cash in cash box; and differences, if any. In addition, total sales from tickets sold prior to the event must be shown.

CAUSE:

The Board does not have adequate controls to assure the proper accounting procedures are performed for each individual school and that all individual schools meet the requirements set forth by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education.

EFFECT:

These noncompliances increase the risk that errors and/or irregularities may occur at the individual school level.

Section II - Financial Statement Findings

Individual Schools
11-02 (continued)

Wellsburg Middle School

RECOMMENDATION:

The management of the Brooke County Board of Education and Wellsburg Middle School should take steps to ensure that office procedures are implements to require compliance with the *Accounting Procedures Manual for the Public Schools in the State of West Virginia.* Specifically, Chapters 1-13, 1-16, 1-20, 1-21 and 4-6.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Itemized claim (invoice) for payment is filed by the claimant:

The Principal and secretary will be given an Accounting Procedures Manual for the Public Schools and will be instructed to obtain a itemized invoice before the payment is made.

Ticket reconciliation report must show the first and last numbers of each type of gate tickets sold:

The Principal and secretary will be instructed to show the first and last numbers of each type of gate tickets sold.

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-03

CONDITION:

We determined during our audit of the Brooke County Board of Education that the Board incurred expenditures and/or obligations for certain items in excess of the amounts allocated for those items in the budget as last revised.

CONTEXT:

Specifically, expenditures and/or obligations in the following accounts for the General Current Expense Fund, Special Revenue Fund and Special Revenue Fund - ARRA were in excess of the approved budget amounts:

General Current Expense Fund

Appropriated Account	Budget	Total Charges Against Budget	Over-Expenditure
Capital Outlay	$0	$350,637	($350,637)

Special Revenue Fund - ARRA

Appropriated Account	Budget	Total Charges Against Budget	Over-Expenditure
Instruction	$1,539,485	$1,539,510	($25)
Student Transportation	$38,710	$39,706	($996)

CRITERIA:

The West Virginia State Code §18-9B-10 states:

"County boards of education shall :

1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;
2. Make transfers between items of appropriation only with the prior written approval of the board of finance."

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-03 (continued)

CAUSE:

The Brooke County Board of Education failed to maintain effective budgetary controls to prevent expenditures and/or obligations in excess of amounts allocated in the budget.

EFFECT:

This overexpenditure did not cause the total budget of the funds to be overexpended, however, overexpenditures can lead to serious financial difficulty for the Board, including, but not limited to, the inability to meet current obligations.

RECOMMENDATION:

It is recommended that the Brooke County Board of Education implement effective budgetary controls to ensure that actual expenditures and/or obligations do not exceed the amounts allocated for those expenditures in the official budget as approved by the West Virginia Department of Education.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The Board incurred expenditures and/or obligations for certain items in excess of the amounts allocated in the budget as last revised:

Prior to June 30th the Business Office will verify the expenditures do not exceed the budget.

Section III - Federal Award Findings and Questioned Costs

Special Tests and Provisions
11-04

GENERAL INFORMATION:

Grant Title: Title I Grants to Local Educational Agencies
Grant Title: Title I Grants to Local Educational Agencies, Recovery Act

Federal Award Number and Year or
Pass-Through Entity Identifying Number : 41

CFDA #: 84.010, #84.389

Federal Agency:
US Department of Education

Pass through Agency:
WV Department of Education

CONDITION:

We noted during our audit of the Brooke County Board of Education the Title I did not meet the Federal Requirements regarding highly qualified teachers.

CONTEXT:

Specifically, the West Virginia Department of Education Monitoring Report dated October of 2011 noted that the Title I program did not meet the requirements for highly qualified teachers. The report indicates that all teachers hired after the first day of school in 2002 are not highly qualified in Brooke County. Additionally, the report indicates, with regard to Title I that the state goal of 100% core classes being taught by highly qualified teachers is not being met in Brooke County.

CRITERIA:

As stated in the Review of NCLB (No Child Left Behind) Federal Requirements for LEA (Local Educational Agency) Compliance Commendations/Recommendations and/or Findings, dated May 10, 2007, as prepared by the West Virginia Department of Education, According to No Child Left Behind (NCLB) Title I state:

> "...the local education agency (LEA) must develop and implement a highly qualified plan that includes and annual increase in the percentage of highly qualified teachers to ensure all teachers teaching in core subjects are highly qualified not later than the end of the 2006-2007 school year."

Section III - Federal Award Findings and Questioned Costs

Special Tests and Provisions
11-04 (continued)

In accordance with Title I §1119(a)(1) states:

> "In General - Beginning with the first day of the first school year after the date of enactment of the No Child Left Behind Act of 2001, each local education agency receiving assistance under this part shall ensure that all teachers hired after such day and teaching in a program supported with funds under this part are highly qualified."

In accordance with Title I §2122(b)(10) states in part:

> "...the local educational agency will use funds under this subpart to meet the requirements of section §1119."

QUESTIONED COSTS:
Not determinable.

CAUSE:

The Board did not have procedures in place to meet the requirements for Special Tests and Provisions of the Title I federal program.

EFFECT:

As a result of this noncompliance, the Brooke County Board of Education did not meet the requirements for highly qualified teachers in the Title I program.

RECOMMENDATION:

The Brooke County Board of Education should have the appropriate central office staff continue implementation of the county's highly qualified plan to ensure that all newly hired teachers assigned to teach core academic subjects enter the system with highly qualified status. If the individuals placed in these positions are the most qualified applicants, the LEA should ensure the individuals pursue the proper certification.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:
Refer to the Board's corrective action plan.

BROOKE COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2011

Summary Schedule of Prior Year Financial Statement Findings

Finding #10-01
Finding Title: Pledged Collateral at Bank

Finding was corrected

Finding #10-02
Finding Title: Individual Schools

Finding was repeated, refer to current year finding #11-02

Summary Schedule of Prior Year Federal Award Findings

No Federal Findings Were Noted In The Prior Year.

Brooke County Schools

1201 Pleasant Avenue, Wellsburg, WV 26070 Phone (304) 737-3481 / Fax (304) 737-3480

BOARD OF EDUCATION:
James R. Piccirillo, President
Brian L. Ferguson, Vice-President
Frank A. Ujaich, Member
James F. Lazear, Member
Chad D. Haught, Member

"Build a Better Brooke"

Dr. Kathy Kidder-Wilkerson
Superintendent

Martin J. Bartz, Jr.
Assistant Superintendent

CORRECTIVE ACTION PLAN

Reference Number:	**11-04**
Audit Finding Title:	Special Tests and Provisions
Contact Person:	James R. Hervey
Anticipated Completion Date:	February 15, 2012

Correction Action planned to be taken:

A. Title I did not meet the Federal Requirement regarding highly qualified teachers:

The non-highly qualified Special Education teacher has a permit which allows him to teach while taking classes to become a highly qualified teacher. His target date to become highly qualified is June, 2012.

APPENDIX B

Economic and Demographic Data
Brooke County, West Virginia

Introduction

Location: Brooke County (the "County") is located in the Northern Panhandle of West Virginia. Driving distance from the County Seat is approximately 43 miles to Pittsburgh, PA, 139 miles to Cleveland, OH, 143 miles to Columbus, OH, and 179 miles to Charleston, WV.

County Seat: City of Wellsburg, West Virginia

The County: The County is governed by, and generally acts through, The County Commission of Brooke County. The Commissioners are elected on a countywide basis for 6-year terms staggered at two year intervals. The County has the power, pursuant to Article 1 of Chapter 7 of the Code of West Virginia of 1931, as amended, to create and establish the Commission.

Commissioners: Marty Bartz, Chairman
Tim Ennis, Commissioner
William Keplinger Jr., Commissioner

Population

Year	Brooke County	West Virginia	United States
2010	24,006	1,854,368	309,330,219
2009	24,153	1,847,775	306,771,529
2008	24,168	1,840,310	304,093,966
2007	24,235	1,834,052	301,231,207
2006	24,399	1,827,912	298,379,912

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Personal Income

County	Rank in State In 2010	2010	2006
United States	---	$38,846	$37,725
West Virginia	---	$32,042	$28,372
Brooke County	25	$29,619	$27,406

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Largest Employers in County (2012)

Employer
1. Weirton Medical Center
2. Severstal Wheeling Steel Corporation
3. Brooke County Board of Education
4. Ball Metal Food Container Corporation
5. Bethany College
6. Wheeling-Nisshin, Inc.
7. Eagle Manufacturing Company
8. Brightwood Property, Inc.
9. Brooke County Commission
10. Graphic Packaging International, Inc.

Source: WORKFORCE West Virginia

Average Annual Unemployment Rates (%)

Year	Brooke County	West Virginia	U.S.
2011	11.4	8.0	8.9
2010	13.1	8.5	9.6
2009	11.4	7.7	9.3
2008	5.6	4.2	5.8
2007	5.4	4.2	4.6

Source: WORKFORCE West Virginia; U.S. Department of Labor, Bureau of Labor Statistics

Average Annual Employment by Industry

Industry	2007	2008	2009	2010	2011
Construction	287	269	251	297	347
Manufacturing	2,138	2,118	1,920	1,960	2,010
Trade, Transportation & Utilities	933	873	851	834	827
Financial Activities	224	219	205	190	189
Professional & Business Services	363	330	262	167	155
Education & Health Services	2,183	2,189	2,124	2,048	2,046
Leisure and Hospitality	929	922	901	918	898
Other Services	200	194	203	202	202
Government	990	1,013	1,008	1,024	991
Totals	8,267	8,144	7,753	7,652	7,676

Source: WORKFORCE West Virginia

Wages Per Industry (2011) ($)

Industry	Total Wages	Average Weekly Wage
Construction	15,410,960	854.08
Manufacturing	111,290,487	1,064.77
Trade, Transportation & Utilities	24,018,672	558.52
Financial Activities	7,565,673	769.81
Professional & Business Services	4,945,411	613.58
Education & Health Services	72,193,026	678.56
Leisure and Hospitality	11,473,588	245.71
Other Services	2,838,891	270.27
Government	31,309,074	607.56
Totals	281,395,114	704.98

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Brooke County	West Virginia
2007	279,462,241	24,083,126,318
2008	288,518,317	25,534,204,980
2009	265,703,905	25,528,702,813
2010	268,831,609	26,100,976,332
2011	281,395,114	27,437,330,374

Source: WORKFORCE West Virginia

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

November __, 2012

The Board of Education of the County of Brooke
Wellsburg, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Re: The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by The Board of Education of the County of Brooke (the "Issuer") of its $_,___,000 in aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), and a Resolution and Order duly adopted by the Issuer on August 13, 2012 (the "Resolution"), and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds are issued in fully registered form, are dated November __, 2012, upon original issuance, represented by a single bond for each maturity, numbered R-1 to R-4, inclusive, with interest payable on each May 1 and November 1, commencing May 1, 2013, and principal installments payable each May 1, commencing May 1, 2013, and continuing until maturity thereof, being May 1, 2016.

The Resolution provides that the issue is for the purposes of providing funds, together with other moneys of the Issuer, to pay costs necessary to currently refund all of the Issuer's outstanding Public School Bonds, Series 2001, dated March 1, 2001 (the "Prior Bonds"), originally issued in the aggregate principal amount of $15,000,000, of which $5,170,000 is presently outstanding, and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Brooke County School District (the "District") at a special election held in the District on November 7, 2000, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated November __, 2012, and accepted by the Issuer (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent (the "Escrow Agent"), contained in the Resolution and the Escrow Agreement dated November __, 2012, by and between the Issuer and the Escrow

Agent (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer and the Verification Agent identified in the Official Statement dated November __, 2012, pertaining to tax matters set forth in the Resolution and with respect to the Escrow Fund and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Resolution and enter into the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with its terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations that may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution, and the certificate relating to arbitrage. The Issuer has covenanted to comply with each such requirements. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 5 below, we express no opinion regarding other tax consequences arising with respect to the Bonds.

5. Under the Refunding Act, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it, together with any subordinate entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2012. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph 7, we have relied upon the verification report of certain independent certified public accountants relating to the sufficiency of the maturing principal of and interest to be earned on the funds or securities deposited in the Escrow Fund established with the Escrow Agent, which, together with any other moneys on deposit in said Escrow Fund, will provide for the payment of the principal of and interest on such Prior Bonds through the maturity date thereof.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Resolution and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Respectfully submitted

GOODWIN & GOODWIN, LLP

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Re marketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX E

ELECTED OFFICIALS OF THE BOARD

Mr. James R. Piccirillo, President

Board of Education President James R. Piccirillo is a graduate of Follansbee St. Anthony's High School, West Liberty State College, and the University of Dayton, Ohio. He holds a Master's Degree in Education Administration and is a veteran of the United States Army. He served 37 years in education leadership and in 1998 was selected by the Fulbright Memorial Education Foundation as one of 200 American Educators for a 21-day study of the educational system in Japan. During his career, Mr. Piccirillo served as teacher at Cove Elementary School and as a principal in the Hancock County school system both at New Cumberland Elementary School and Weirton Heights Elementary School. In 2001 he became Principal at Burgettstown Area Elementary Center in Burgettstown Pennsylvania where he served for 8 years until retirement. During that time period he implemented a two million dollar Reading First Grant and his school was selected to present at the National Reading First Conference in Washington, D.C. He was recognized with an article in the Pennsylvania Administrators Journal on "Mentoring Principals." During this past year Mr. Piccirillo was chosen by the West Virginia School Board Association to serve on their select committee to develop high quality standards for school systems. He has been involved in many community activities, such as the Follansbee Water Board, a Life Member of the West Virginia PTA, and co-director of the Follansbee Youth Basketball league for 22 years. His wife Janet is a retired teacher at Brooke High School. His son Steven is a 1992 graduate of Brooke High and 1996 graduate of Princeton University. Steven and his wife are both attorneys in Houston, Texas and recently adopted 3 children.

Mr. Brian L. Ferguson, Vice-President

Brian L. Ferguson is the Vice-President of Brooke County Board of Education and is a graduate of Brooke High School. He attended Jefferson Technical College and the International Brotherhood of Electrical Workers Apprenticeship School for four years. He is a 30 year member of IBEW Local 246. He has completed leadership training classes in the electrical and business industry, has attended the National Training Institute for committee members, and OSHA. He is secretary of the Steubenville Electrical Joint Apprentice Training Committee and has served on the Executive Board. Brian is a former Brooke High School Football Booster President, the recipient of three grants for the football program via the WV Governor's Digest Fund, as coached youth football for 20 years coached baseball for five years, and youth basketball for four years. He is a member of the Brooke County Athletic Complex Committee. Brian was instrumental in establishing a budget for the Brooke Wellness Center and in the coordination and completion of the new turf field at BHS. One goal of Brian's is to work collaboratively with the SBA to build a state of the art *green school* in Brooke County. He is married to Nancy Bartz, a teacher's aide at BHS, and is the father of two sons. Drew is a second year apprentice with IBEW Local #246 and Kyler, a WVU graduate, is a Deputy Sheriff in Brooke County.

Mr. Chad D. Haught

Chad D. Haught graduated from Brooke High School in the year 2000 where he earned academic awards and was selected First-Team Allstate in football, Honorable Mention in baseball, and participated in the annual OVAC All-Star football game. In May 2004, Mr. Haught graduated from Washington & Jefferson College, a liberal arts school, where he earned a Bachelor of Arts Degree in Accounting from the W&J Department of Economics. Mr. Haught was a recipient of the Presidential Scholarship awarded to students with outstanding academic performance, achievement, and citizenship. While at Washington & Jefferson College, Mr. Haught worked full time at First Data Corporation. In May 2007, Mr. Haught earned his Juris Doctorate Degree from the West Virginia University College of Law. While attending the West Virginia University College of Law, Mr. Haught worked for the law firm of Frankovitch, Anetakis, Colantonio & Simon. In October 2007, Mr. Haught was admitted into the West Virginia State Bar to practice law. Mr. Haught is licensed and a member in good standing of both the state and federal courts of West Virginia. From August 2007 to August 2009, Mr. Haught was employed by the West Virginia Supreme Court of Appeals to serve as the First Judicial Circuit Court Law Clerk for the Honorable Judge Martin J. Gaughan, who presided over Brooke, Hancock, and Ohio Counties. In August 2009, Mr. Haught joined the law firm of Jividen Law Offices, PLLC where he continues to work as an associate attorney. On November 2, 2010, Mr. Haught was elected by the citizens of Brooke County to serve on the Brooke County Board of Education.

James F. Lazear

James F. Lazear is a 1989 graduate of West Liberty State College with a BS degree in Business Administration and Management. Jim's work experience has included: Production Supervisor for Wheeling Corrugating, City Manager for Cendant Car Rental Group, City Manager for Avis Rent-A-Car, Quality Assurance Analyst for Avis Rent-A-Car, Airport

Operations Manager/Station Manager for Avis Rent-A-Car, Customer Service Manager for Hydro Lawn, LLC and Branch Manager for Enterprise Leasing Company. Jim has successful experience in managerial work, employee training, collective bargaining, supervising inventory, quality assurance, interviewing/hiring, logistics, forecasting and budgeting.

Frank A. Ujcich

Frank A. Ujcich graduated from Wellsburg High School in 1961. Mr. Ujcich attended West Liberty State College and graduated in 1966 with a BS in math, health and PE education. He received his Master Degree in Vocational/Technical Education from Marshall University in 1987 and a second Masters in Administration from WVU in 1989. After teaching fifteen years for the Brooke County Board of Education, he served as the county's vocational director for ten years until he retired June 30, 2006. He has been a member of Brooke County Board of Education since July 1, 2006.

APPOINTED OFFICIALS OF THE BOARD

Dr. Kathy Kidder-Wilkerson, Superintendent

Kathy Kidder-Wilkerson, Ed.D., Superintendent, is a twenty-six year employee of Brooke County Schools. She received an AD in Nursing from West Virginia Northern Community College, a BS in Biology Education from West Liberty State College, a MS in Vocational Education from Marshall University and a doctorate in Educational Leadership from West Virginia University. Dr. Kidder is a former science teacher and assistant principal at Brooke High School. She served the Board as Director of Career Technical Education, Director of Student Services and Assistant Superintendent before becoming Superintendent in 2010.

Martin James Bartz, Jr., Assistant Superintendent

Martin James Bartz, Jr. is the Assistant Superintendent for the Brooke County Board of Education and is a thirty-six year employee of Brooke County Schools. He is a 1970 graduate of Brooke High School and has received an AB in Psychology/Sociology and an AB in Elementary Education/Social Studies from West Liberty State College, a MA in Communications from West Virginia University and a MA in Educational Leadership from Marshall University. During his employment with the Brooke County Board of Education, Mr. Bartz has served in many capacities, including as a classroom teacher, as Assistant Principal at Follansbee Middle School and as Director of Facilities, Maintenance and Technology, and has been Assistant Superintendent since 2010.

James R. Hervey

James R. Hervey is the Business Manager/Treasurer of Brooke County Board of Education since March, 1989. He graduated from Brooke High School in 1973. Mr. Hervey was self-employed while attending West Liberty State College, and he graduated in 1985. He passed the Certified Public Accountant examination in 1986. Since being employed by the Brooke County Board of Education, he has been involved with the successful passing of four excess levies and a bond issue, and this is his second participation in a bond refunding.

APPENDIX F

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated as of November __, 2012 is by and between the Board of Education of the County of Brooke (the "Board") and WesBanco Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $_____ The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution adopted by the Board on August 13, 2012, authorizing issuance of the Bonds (the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds in Appendix A entitled "Audit Report of Brooke County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the Board's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants or the West Virginia Auditor's Office.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated November __, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Bonds from the Board upon the terms set forth therein.

"Bonds" shall mean the $_____ The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012.

"Disclosure Agent" shall initially mean WesBanco Bank, Inc. and any later appointed Disclosure Agent or any successor Disclosure Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

"Disclosure Representative" shall mean the Treasurer of the Board.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean the original underwriter of the Bonds which is required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each National Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Board shall, or shall cause the Disclosure Agent to, not later than 270 days after the end of the Board's fiscal years (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2012 (FY 2011), provide to each Repository by filing the same with EMMA or in such other manner as may be required from time to time by the Rule: Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. The Board shall provide the Disclosure Agent with a copy of each report filed under this Agreement. If the Board's fiscal year changes, the Board shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than ten (10) Business Days prior to said date, the Board shall provide the Annual Financial Information and Audited Financial Statements to the Disclosure Agent. If the Board is unable to provide to the Repositories the Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Board shall, or shall cause the Disclosure Agent to, send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Disclosure Agent shall file a report with the Board certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to this Agreement and the date provided.

(d) All documents provided to EMMA shall be provided in a searchable, electronic format and shall be accompanied by identifying information as prescribed by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. Within two hundred seventy (270) days of the Board's fiscal year ends, the Board or Disclosure Agent on its behalf shall submit to EMMA the Annual Financial Information and Audited Financial Statements of the Board for the prior fiscal year. If the Audited Financial Statements are not then available, the Board or the Disclosure Agent shall submit the unaudited financial statements of the Board for such fiscal year and shall submit the Audited Financial Statements as soon as they become available.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Board or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Board shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the Board[2];

13. the consummation of a merger, consolidation or acquisition involving the Board, or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Board obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Disclosure Agent pursuant to subsection (b) or otherwise, the Board shall as soon as possible determine if such event would be material under applicable

[2] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

federal securities laws, in any event such determination must be made and submitted to the Disclosure Agent within two (2) business days.

(d) If the Board determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the Board received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the Board shall promptly file with the Disclosure Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the Board determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the Board shall so notify the Disclosure Agent in writing and instruct the Disclosure Agent not to report the occurrence pursuant to subsection (f).

(f) If the Disclosure Agent has been instructed by the Board to report the occurrence of a Listed Event, the Disclosure Agent shall file a notice of such occurrence with EMMA with a copy to the Board. The Disclosure Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Disclosure Agent. WesBanco Bank, Inc. is hereby appointed as Disclosure Agent. The Board may, from time to time, appoint or engage an alternate or successor Disclosure Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Disclosure Agent. The Disclosure Agent shall not be responsible in any manner for the content of any notice or report prepared by the Board pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the Board and the Disclosure Agent may amend this Agreement, and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Board shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in

which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the Board chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Bonds or pursuant to the Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

SECTION 11. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the Board:	The Board of Education of the County of Brooke 1201 Pleasant Avenue Wellsburg, West Virginia 26070
To the Disclosure Agent:	WesBanco Bank, Inc. ATTN: Corporate Trust 1 Bank Plaza Wheeling, WV 26003

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Fees. The Board agrees to pay all fees and expenses of the Disclosure Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Disclosure Agent's duties.

SECTION 15. Right to Resign. The Disclosure Agent may resign at any time by providing thirty (30) days' written notice to the Board.

SECTION 16. Right to Counsel. The Disclosure Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action.

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IN WITNESS WHEREOF, the Board and the Disclosure Agent have caused this Agreement to be executed by its duly authorized representatives, all as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: _____
Name:
Title: President

WESBANCO BANK, INC., as Disclosure Agent

By: _____
Name:
Title:

Date: November __, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Brooke (the "Board")

Name of Bond Issue: $_____ The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012

Date of Bond Issue: November __, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3(b) of that certain Continuing Disclosure Agreement dated as of _____, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____, 20__.

Dated: _____, 20___.

WesBanco Bank, Inc., as Disclosure Agent
on behalf of the Board

cc: Board

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (WEST VIRGINIA) • PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

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Rating: Standard & Poor's
(See "Rating" herein)

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, upon the conditions and subject to the limitations set forth under the caption "TAX MATTERS" herein; however, interest on the Bonds held by a corporation may be indirectly subject to alternative minimum tax because of its inclusion in adjusted current earnings of such corporate holder. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein.

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

Dated: Date of Delivery

Due: May 1, as shown below

The Bonds are being issued by the Board of Education of the County of Brooke, West Virginia (the "Board") pursuant to Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act") for the purposes of (i) currently refunding and redeeming in full the Board's Public School Bonds, Series 2001, dated March 1, 2001, issued in the original aggregate principal amount of $15,000,000 and currently outstanding in the aggregate principal amount of $5,170,000 (the "Bonds to be Refunded") and (ii) paying costs of issuance of the Bonds.

The Bonds are general obligations of the Board, which has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Brooke County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

The Bonds will be issued in fully registered form only, without coupons, and, when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated WesBanco Bank, Inc., Wheeling, West Virginia, as Registrar.

Interest on the Bonds will be payable May 1, 2013 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds. See "APPENDIX D – BOOK ENTRY ONLY SYSTEM."

The Board has designated the Bonds as "qualified tax-exempt obligations," therefore, the Bonds are treated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code. See "TAX MATTERS" for more detail regarding the opinion Bond Counsel gives regarding such designation.

The Bonds are not subject to optional redemption.

MATURITIES, AMOUNTS, RATES, PRICES, YIELDS AND CUSIPS

Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Price (%)	Yield (%)	CUSIP* Number:
2013	1,190,000	3.00	101.318	0.30	112511CS7
2014	1,290,000	3.00	103.779	0.45	112511CT5
2015	1,330,000	3.00	106.047	0.55	112511CU2
2016	265,000	3.00	108.093	0.65	112511CV0

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by David B. Cross, Esq., Brooke County Prosecuting Attorney, Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Spilman Thomas & Battle, PLLC, Charleston, West Virginia, as Counsel to the Underwriter. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about November 5, 2012.

PiperJaffray®

October 15, 2012

* CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included on this cover page solely for the convenience of the Owners of the Bonds only at the time of issuance of the Bonds. Neither the Underwriter nor the Board makes any representation with respect to the accuracy of such CUSIP numbers as indicated in the above table or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds.

$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

ELECTED OFFICIALS

James R. Piccirillo, President
Brian L. Ferguson, Vice President
Chad D. Haught, Member
James F. Lazear, Member
Frank A. Ujcich, Member

APPOINTED OFFICIALS

Dr. Kathy Kidder-Wilkerson, Superintendent
Martin J. Bartz, Jr., Assistant Superintendent
James R. Hervey, Treasurer

BOARD'S COUNSEL

David B. Cross, Esq.
Brooke County Prosecuting Attorney
Wellsburg, West Virginia

BOND COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

UNDERWRITER

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITER'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. THE WEST VIRGINIA SECURITIES COMMISSION HAS NOT REVIEWED THE DISCLOSURE CONTAINED HEREIN AND THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION BY QUALIFICATION UNDER THE WEST VIRGINIA SECURITIES ACT.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Brooke, West Virginia, to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds herein described by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Board from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

The information contained in this Official Statement has been obtained by the Underwriter from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board.

The Resolution, as hereinafter defined, has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Forward-Looking Statements

This Preliminary Official Statement, and particularly the information contained in the caption "BROOKE COUNTY SCHOOL DISTRICT" and "CERTAIN FINANCIAL INFORMATION" contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Preliminary Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

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OFFICIAL STATEMENT
RELATING TO

$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $4,075,000 in aggregate principal amount of The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). A brief description of The Board of Education of the County of Brooke, West Virginia (the "Board"), the Brooke County School District (the "School District") and the County of Brooke, West Virginia (the "County" or "Brooke County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

The Bonds are being issued to provide funds which, when combined with certain monies currently on deposit in the funds and accounts established for the Bonds to be Refunded (as hereinafter defined), will be applied to provide for the current refunding of the Board's Public School Bonds, Series 2001 issued in the original aggregate principal amount of $15,000,000 (the "Bonds to be Refunded") of which $5,170,000 is outstanding. Proceeds of the Bonds will also be used to pay legal, consulting and other professional fees, printing and other issuance costs.

At a special election held on November 7, 2000, the issuance of the Bonds to be Refunded in an amount of up to $15,000,000 and the levy of property taxes upon all taxable real and personal property in the School District sufficient to pay principal of and interest on such bonds were authorized and approved for the purpose of paying the cost of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District.

The Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

THE BONDS

General

The Bonds will be dated the date of delivery thereof and are issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1, in the years and amounts as follows:

Maturing (May 1)	Principal Amount ($)
2013	1,190,000
2014	1,290,000
2015	1,330,000
2016	265,000

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended (the "Bond Act"), both the principal of and interest on the Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent"). The Board has designated WesBanco Bank, Inc., Wheeling, West Virginia, as the Registrar (the "Registrar").

Interest on the Bonds will be payable on May 1, 2013 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at the address as shown on the registration books kept for that purpose by the Registrar as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $1,000,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Registrar at least five days prior to an interest payment date.

Authority and Purpose

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Bond Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8 of the Constitution and Sections 20 and 34 of the Bond Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law. Pursuant to the Bond Act and orders and resolutions duly entered and adopted by the Board, on January 8, 2001, the issuance of bonds in the aggregate principal amount of $15,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved at a special election by 57.75% of the participating voters. Proceeds of the Bonds to be Refunded were applied, together with certain funds received by the Board from the State of West Virginia (the "State") and other sources, to the cost of acquisition and construction of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District. The ballot question limited the term of the bonds to fifteen and one-half (15 1/2) years from their date and limited the rate of interest on the bonds to a rate not exceeding 7.75% per annum. Pursuant to the Bond Act, the Bonds to be Refunded were issued on March 27, 2001 and designated Public School Bonds, Series 2001.

The Board is issuing the Bonds pursuant to Article 2 of Chapter 13 of the Code of West Virginia, as amended (the "Refunding Act") and a resolution of the Board adopted on August 13, 2012 (the "Resolution"). The Board is issuing the Bonds for the purpose of currently refunding the Bonds to be Refunded. In accordance with the provisions of the Refunding Act, debt service on the Bonds will not exceed in each year the amount of taxes expected to be available for payment of such debt service in accordance with the terms approved by the voters. The Bonds to be Refunded will be deemed paid upon the completion of the current refunding. Certain funds of the Board on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") relating to the Bonds to be Refunded will become surplus funds as a result of the current refunding and will be available for release to the Board.

Optional Redemption

The Series 2012 Bonds are not subject to optional redemption.

Plan of Financing

Proceeds of the Bonds in the amount of $4,109,469.44 will be transferred to the Bond Commission and combined with the sum of $323,386.74, which will be transferred from the Series 2001 Bond Account, and the sum of $746,613.26, which will be transferred from accounts of the Board held at the Bond Commission in connection with the Bonds to be Refunded, to currently refund in full the Bonds to be Refunded on November 15, 2012.

Sources and Uses of Funds

Sources of Funds:

Proceeds of the Bonds	$4,075,000.00
Original Issue Premium	$166,304.85
Amounts Transferred from Series 2001 Bond Account	$323,386.74
Amounts Transferred from Bond Commission	$746,613.26
TOTAL	$5,311,304.85

Uses of Funds:

Deposit to Escrow Fund	$5,179,469.44
Underwriter's Discount	$55,375.00
Costs of Issuance[1]	$76,460.41
TOTAL	$5,311,304.85

Nature of Obligation, Security and Source of Payments

The Bonds will constitute valid and legally binding general obligations of the Board, and, unless paid from other sources, the principal of and interest on the Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

Pursuant to Chapter 13, Article 3 of the Code of West Virginia, the Bond Commission shall serve as fiscal agent for all general obligation bonds issued by counties, municipalities, and school districts of the State when appointed by the issuer for such purpose and is charged with the administration of the interest and sinking funds created to service the debt. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff of Brooke County (the "Sheriff"), who remits the proceeds to the Board Treasurer, who forwards the proceeds thereof to the Bond Commission. The Bond Commission is required by law to render annually to each political subdivision having outstanding bonds a statement showing the levy required to pay the interest on and create a sinking fund for the retirement of the outstanding bonds. The Bond Commission customarily sets the levy rates for such bonds at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bond in the State of West Virginia since the Bond Commission commenced centralized supervision and administration in 1921.

Since 1933, the annual State of West Virginia Budget Bill has embodied a protective provision for certain State agency and taxing district obligations, if deficiencies should arise. The following excerpt from the 2012 Budget Bill is indicative:

> Sec. 14. Sinking Fund deficiencies. - There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the state municipal bond commission as provided by Chapter 31, Article 18, Section 20-b, of the code of West Virginia, or in the funds of the state municipal bond commission because of the failure of any state agency for either general obligation or revenue bonds or any local taxing district for general obligation bonds to remit funds necessary for the payment of interest and sinking fund requirements. The Governor is authorized to transfer from time to time such amounts to the state municipal bond commission as may be necessary for these purposes.

[1] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Printing and Accountants' Verification Report, and other costs of issuing the Bonds.

No representation is made that subsequent Budget Bills will have such provisions or that sufficient funds will be available to satisfy any such deficiencies. There has never been a default in payment of the principal of or interest on any general obligation bonds issued by The Board of Education of the County of Brooke. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

BROOKE COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members nominated and elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. The terms of two members expired on June 30, 2012, and the terms of three members will expire on June 30, 2014. The process will be repeated every two years thereafter.

Board Members' duties are established by State statute with the West Virginia Board of Education having regulatory powers. The Board appoints a superintendent who acts as the chief executive officer and secretary of the Board and who administers affairs of the School District in accordance with applicable laws, regulations, and local policies. The Board is a public corporation and as such may sue, plead and be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

During the fiscal year 2011-2012, the Brooke County school system had a central office professional staff of nine (9) with the overall responsibility to coordinate and supervise the activities of fifteen (15) school administrators, two hundred seventy two (272) instructional staff (teachers and other professionals), and one hundred seventy two (172) service personnel. Total Full Time Equivalent positions are four hundred sixty eight (468).

Historical School Enrollment (School Year)

Grades	2008	2009	2010	2011	2012
Pre-K Special Needs	13	18	10	29	25
Pre-K Universal	64	75	75	76	119
K	229	237	246	239	248
1	226	229	240	243	233
2	279	238	222	238	233
3	257	268	233	224	229
4	250	260	270	242	226
5	240	241	263	261	230
6	261	233	248	264	253
7	267	257	235	244	246
8	257	271	257	241	244
9	321	293	319	277	283
10	266	253	231	281	226
11	285	268	266	244	277
12	266	270	262	254	232
Total	3,481	3,411	3,377	3,357	3,304

Rate of Decrease in Enrollment	
2008-2012	(5.08 %)
Annualized	(1.27%)

Source: Brooke County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2013	3278
2014	3246
2015	3273
2016	3240

Source: Brooke County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Renovation or Addition and Date	
Administration Building		Masonry/Brick Veneer	1912	1993	
Beech Bottom Primary School	K-4	Masonry/Brick Veneer	1920	1953	1985
Brooke High School	9-12	Masonry/Brick Veneer	1968	1983&1985	2003
Carver/Transportation		Masonry/Brick Veneer	1954	1994	
Colliers Primary School	K-4	Masonry/Brick Veneer	1985		
Follansbee Middle School	5-8	Masonry/Brick Veneer	1922	1928	
Follansbee Middle School Fieldhouse		Masonry/Brick Veneer	1955	1984	1993
Franklin Primary School	K-4	Masonry/Brick Veneer	1926	1950	1984
Hooverson Heights Primary School	K-4	Masonry/Brick Veneer	1941	1959	1985
Jefferson Primary School	K-4	Masonry/Brick Veneer	1968	1982	
L. B. Millsop Primary School	K-4	Masonry/Brick Veneer	1953	2005	
Maintenance Shop		Wood Frame	1994		
Wellsburg Middle School	5-8	Masonry/Brick Veneer	1927	1938	1999
Wellsburg Primary School	K-4	Masonry/Brick Veneer	1955	1984&1995	2005

Source: Brooke County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Brooke County Sheriff (the "Sheriff") and are remitted by the Sheriff to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by the Auditor to the Sheriff for distribution. Tax statements are mailed by the Sheriff's office in July, and they may be paid in two installments. The first half of the tax is subject to a 2 1/2% discount if paid by September 1; thereafter, the amount payable is net until October 1, after which a 9% penalty is added. Likewise, the second half is subject to a 2 1/2% discount if paid by March 1, net to April 1, and 9% penalty thereafter. The Sheriff, after ascertaining which taxes are delinquent, shall on or before May 1 next succeeding the year for which taxes are assessed, prepare delinquent lists, which shall be posted at the front door of the courthouse and published as a legal advertisement at least two weeks prior to the presentation to the County Commission for examination. After examination and correction, the Commissioners shall certify such lists pertaining to real property to the Auditor not later than July 1. On or before September 10, the Sheriff shall prepare a second list of delinquent taxes, as of September 1, together with a notice of sale for properties upon which such taxes are due. If not redeemed before, such properties shall be sold at public auction at the courthouse on any Monday after October 14, and before November 23. No such sale shall be made for any sum less than the total amount of taxes, interest and charges then due. The former owner of any real or personal property so purchased by the State, or any other person who is entitled to pay the taxes thereon, may redeem such real or personal property from the Auditor at any time within the eighteen months after the date of such purchase. The Auditor reports monthly to the Sheriff, the County Assessor and the Clerk of the County Commission all

properties in the County which were redeemed in the Auditor's office during the preceding month. The Auditor, each month, draws a warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by the Sheriff upon the redemption of the property included in the Sheriff's report which was owing to any of the taxing units in the County. The Sheriff accounts for and pays over such money as if it had been paid to the Sheriff before sale and redemption.

Tax Levies and Collections

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 95% Less Assessors Fee	Actual ($) Collected	Actual (%) Collected
2008-2009				
General Current	4,919,937	4,584,183	4,768,971	104.03%
Bond Levy	1,420,189	1,419,525	1,407,758	99.17%
Excess Levy	5,820,236	5,531,553	5,744,504	103.85%
2009-2010				
General Current	5,051,105	4,700,589	4,895,680	104.15%
Bond Levy	1,426,807	1,425,200	1,407,498	98.76%
Excess Levy	5,975,405	5,679,025	5,884,559	103.62%
2010-2011				
General Current	4,831,610	4,495,075	4,657,229	103.61%
Bond Levy	1,429,557	1,428,625	1,409,128	98.64%
Excess Levy	5,715,746	5,432,245	5,644,915	103.91%
2011-2012				
General Current	5,024,121	4,559,713	4,619,343	101.31%
Bond Levy	1,437,314	1,434,800	1,332,617	92.88%
Excess Levy	5,943,484	5,648,688	5,888,198	104.24%
2012-2013				
General Current	5,286,352	4,805,369	N/A	N/A
Bond Levy	1,444,209	1,443,500	N/A	N/A
Excess Levy	6,253,699	5,943,515	N/A	N/A

Assessment Procedure

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The County Commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment, the commission certifies and returns the property books to the assessor. Appeal of any assessment which was protested to the board of equalization and review may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. A taxpayer can elect to have its protest of an assessment heard by the county commission sitting as a board of assessment appeals in October, rather than by the county commission sitting as a board of equalization and review in February. In order to utilize this option the taxpayer must pay the disputed taxes. The assessor annually, not later than March 3, must furnish a certified statement to certain governmental bodies in the county, including the board of education, showing the aggregate value of all real and personal property. During the month of March the county commissions, the county boards of education and municipal governments prepare their budgets for the fiscal year which begins the following July. After these budgets are approved, these governments officially set the tax rate for the coming year sufficient to pay budgeted expenses not expected to be paid from other sources. For example, the 2012 assessment year valuations are made as of July 1, 2011, with taxes levied and collected during the fiscal year July 1, 2012, through June 30, 2013.

The State Tax Commissioner has the responsibility for preparing tentative valuations of all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the Auditor to the various counties in which the utility property is located, such allocation being approved by the Board of Public Works.

Property Classification

Article X, Section 1, of the Constitution of West Virginia and Chapter 11, Article 8, Section 5 of the Code of West Virginia of 1931, as amended, created four classifications of property for which the tax rates, but not the assessed values, are limited. These tax classifications are as follows: Class I - all tangible personal property employed exclusively in agriculture, all products of agriculture while owned by the producer; Class II - owner-occupied residential property and certain farm lands; Article 10, Section 1b of the Constitution of the State of West Virginia and Chapter 11, Article 6B, Section 3 of the West Virginia Code of 1931, as amended, provide that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence, who is a citizen of the State and is sixty-five years of age or older or is certified as being permanently disabled, shall be exempt from ad valorem property taxation. Only one exemption shall be allowed for each homestead used and occupied exclusively for residential purposes by the owner thereof, regardless of the number of qualified owners residing therein; Class III - all real and personal property, other than Class I and II property, situate outside of municipalities; Class IV - all real, and personal property, other than Class I and II situate within municipalities. Public utility property falls within Class III or Class IV, as appropriate.

Assessed Valuations

The Brooke County School District includes all of Brooke County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code requires all assessors to appraise all property at fair market value (except for certain farm property), within three years of the approval of the county valuation plan. A county valuation plan must be submitted every three years by the assessor to the State Tax Commissioner. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. Any increase in the total property taxes that could result from the new calculations is limited to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. Assessors do not have the authority to implement the reappraisal described above. All property, except farms and managed timberlands, must be assessed at 60% of Fair Market Value.

The Brooke County Assessor entered into an Agreement in 2011 with Tyler Technologies, Inc. ("Tyler") for the purpose of engaging Tyler to undertake a county-wide review of the assessed values of real and personal property in Brooke County. Following the completion of its initial review, Tyler recommended modifications to the assessed value of many real property tax parcels in the County and in the assessed value of certain personal property. Tyler, in conjunction with The County Commission of Brooke County, setting as a Board of Equalization and Review, and the Brooke County Assessor's Office, continues to evaluate assessed valuations in the County and is considering feedback from County taxpayers regarding existing assessments and proposals for revaluation. This revaluation process is anticipated to result in a more than 5% overall average increase in the assessed valuation of property in Brooke County for the tax year commencing July 1, 2012. Modest increases in the assessed valuation of the property in the County are also anticipated for the 2013 and 2014 tax years.

Assessed Valuation By Property Class ($)*

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	0	0	0	0	0
II	259,307,073	260,672,282	259,216,490	264,348,412	263,239,238
III	94,154,622	95,108,865	88,287,134	92,012,004	100,401,115
IV	410,204,278	425,470,630	404,734,828	423,252,205	449,210,190
Total	763,665,973	781,251,777	752,238,452	779,612,621	812,850,543

Assessed Valuation By Property Category ($)*

Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Real	410,458,360	412,222,010	409,364,520	422,457,500	421,520,480
Personal	317,700,085	330,405,862	304,508,641	313,871,147	348,174,063
Public Utility	35,507,528	38,623,905	38,365,291	43,283,974	43,156,000
Total	763,665,973	781,251,777	752,238,452	779,612,621	812,850,543

*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded amounted to:

$58,401,836 in 2008-2009
$58,242,072 in 2009-2010
$58,384,746 in 2010-2011
$58,841,884 in 2011-2012
$59,585,615 in 2012-2013

Largest Assessed Valuations (tax year 2012)

Property Owner	Assessed Valuation ($)
Wheeling-Nisshin	64,200,000
Mountain State Carbon	48,400,000
Wheeling Pitt/RG Steel	22,700,000
Ball Metal	22,400,000
Arcelor Mittal	21,500,000
Roll Coater	10,500,000
Herman Strauss	10,400,000
Wal-Mart	10,300,000
SNA Carbon	9,600,000
Koppers	8,400,000

Source: Brooke County Assessor

Tax Rate Comparisons

The following shows Brooke County property taxes in cents per $100 assessed valuation (this includes all state, county and school rates, in comparison with a few select surrounding counties), for tax year 2012; Fiscal Year 2012 - 2013.

Rates of Levy*

County	Class I	Class II	Class III/IV
BROOKE	66.55	133.10	266.20
Hancock	67.25	134.50	269.00
Marshall	57.21	114.42	228.84
Ohio	56.54	113.08	226.16

*Includes the total levy for State, County and schools in each County.
Source: West Virginia State Auditor

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia of 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $0.2295 per $100 assessed valuation in respect to Class I, $0.4590 per $100 in respect to Class II, and $0.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

Tax Rates - By Property Class (Cents Per $100)

School Current Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	22.95	22.95	22.95	22.95	22.95
II	45.90	45.90	45.90	45.90	45.90
III and IV	91.80	91.80	91.80	91.80	91.80

School Bonds

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	5.60	5.48	5.74	5.55	5.30
II	11.20	10.96	11.48	11.10	10.60
III and IV	22.40	21.92	22.96	22.20	21.20

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8, Section 6b of the Code of West Virginia of 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

Rates of Levy (Source: West Virginia State Auditor)

The tax rates for citizens of the County, including those imposed by the Board, in cents per $100 assessed valuation for the 2012-2013 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	14.30	28.60	57.20
County Excess	4.35	8.70	17.40
School Current	19.40	38.80	77.60
School Bonds	5.30	10.60	21.20
School Excess	22.95	45.90	91.80

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2012-2013 fiscal year.

Municipality	Class I	Class II	Class III/IV
Town of Beech Bottom	7.62	15.24	30.48
Town of Bethany	11.53	23.06	46.12
Town of Follansbee	11.29	22.58	45.16
Town of Weirton	12.50	25.00	50.00
Town of Wellsburg	12.50	25.00	50.00
Town of Windsor Heights	9.57	19.14	38.28

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2010 Census)	24,069
Assessed Valuation*	$812,850,543
Debt Limit (5% of Assessed Valuation)	$40,642,527
Outstanding Debt (including the Bonds)	$4,075,000
Debt Contracting Margin	$36,567,527
Per Capita Debt	$169.30
Outstanding Debt as percentage of Assessed Valuation	0.50%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2012, Fiscal Year 2013).

Debt Service Requirements

Upon issuance of the Bonds, based on the interest rates and yields set forth on the inside cover page, the Board will have the following debt:

Schedule of Bond Indebtedness
Public School Bonds

Period Ending	Principal ($)	Interest ($)	Semi-Annual Total ($)	Annual Total ($)
05/01/2013	1,190,000.00	59,766.67	1,249,766.67	1,249,766.67
11/01/2013		43,275.00	43,275.00	
05/01/2014	1,290,000.00	43,275.00	1,333,275.00	1,376,550.00
11/01/2014		23,925.00	23,925.00	
05/01/2015	1,330,000.00	23,925.00	1,353,925.00	1,377,850.00
11/01/2015		3,975.00	3,975.00	
05/01/2016	265,000.00	3,975.00	268,975.00	272,950.00
TOTAL	4,075,000.00	202,116.67	4,277,116.67	4,277,116.67

Overlapping Debt

There is no overlapping county or city general obligation debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Bond Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building Authority funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Review Revenue Fund

Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in the Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. See "APPENDIX A- AUDIT REPORT OF BROOKE COUNTY BOARD OF EDUCATION FOR THE FISCAL YEAR ENDED JUNE 30, 2011"

The State Auditor's Office has not been engaged to perform and has not performed, since the date of the Audit Report, attached hereto as APPENDIX A, any procedures on the financial statements addressed in that report. The State Auditor's Office also has not performed any procedures relating to this preliminary official statement.

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November/December-	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January/February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing.
	A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual (Source: Brooke County Board of Education)

Revenues, Expenditures and Changes in Fund Balance – Regulatory Basis
Budget and Actual
General Current Expense Fund
Year ended June 30

	2010 Budget	2010* Actual	2011 Budget	2011* Actual	2012 Budget	2013 Budget
Revenues						
Property Taxes	10,379,614	10,780,239	9,927,320	10,271,518	10,208,401	10,748,884
Other Local Sources	269,199	276,137	261,010	351,875	281,760	281,760
State Sources	18,452,014	17,382,302	17,405,015	17,150,435	18,704,281	18,219,666
Federal Sources	0	734,646	0	757,190	0	0
Miscellaneous Sources	112,310	0	113,990	11,534	93,240	93,240
Total Revenues Collected	29,213,137	29,173,324	27,707,335	28,542,552	29,287,682	29,343,550
Expenditures						
Instruction	17,947,839	18,539,435	15,590,255	17,659,759	16,746,224	17,155,594
Supporting Services:						
Students	946,930	1,569,964	1,587,680	1,617,284	1,781,280	1,855,640
Instructional Staff	304,570	330,745	320,930	1,081,847	989,330	821,750
Central Administration	1,284,779	1,375,292	1,248,520	584,780	547,499	551,220
School Administration	1,900,680	2,134,786	1,911,260	2,134,182	1,999,700	2,026,280
Business Administration	338,580	364,735	341,710	327,844	309,140	315,900
Operation & Maintenance of Facilities	3,725,300	4,655,389	3,883,020	4,689,339	3,943,760	3,931,900
Student Transportation	2,091,350	2,389,019	2,129,920	2,243,288	2,319,824	2,077,606
Food Services	0	0	0	0	0	0
Community Services	57,600	67,178	51,200	56,962	54,500	57,660
Capital Outlay	0	155,582	0	350,637	0	0
Reserves	0	0	0	0	0	0
Total Expenditures	28,597,628	31,582,125	27,064,495	30,745,921	28,691,257	29,493,550
Excess (Deficiency) of Revenues over Expenditures		(2,408,800)		(2,203,369)		
Total Other Financing Sources (Uses)		(601,447)		(640,333)		
Net change in Fund Balance		(3,010,247)		(2,843,702)		
Fund Balance - beginning		5,765,676		2,783,018		
Restatement of Fund Balance		27,589		0		
Fund Balance - ending		2,783,018		(60,684)		

* Includes $3,909,327 OPEB Liabilities for Fiscal Year 2010 (2009-2010 Actual) and $7,198,673 OPEB Liabilities for Fiscal Year 2011 (2010-2011 Actual).

Retirement Plans (Source: State of West Virginia Consolidated Public Retirement Board)

Teachers' Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2011, there were 35,880 active members and 31,043 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2011 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2011, the unfunded liability of TRS was $4.370483 billion. The funded percentage was 53.7%. The State expects the TRS unfunded accrued liability to be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2011, there were approximately 4,554 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 vote to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

Other Post-Employment Benefits (OPEB)

The Board has adopted Governmental Accounting Standards Board (GASB) Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", which among other things, requires reporting on an accrual basis the liability associated with other postemployment benefits. In conjunction with the implementation of GASB Statement No. 43, the State of West Virginia established the Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, to account for and administer the other postemployment benefits (OPEBs) provided under the multiemployer cost-sharing plan. The PEIA Finance Board was assigned the authority to establish and amend contribution requirements of the plan members and the participating employers, and PEIA administers the plan. The legislation requires the RHBT to determine through an actuarial study the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the respective employers who are required by law to remit at least the minimum annual premium component of the CRC. The Board is required to participate in the RHBT established for the multiemployer cost-sharing plan. Details regarding this plan can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or http://www.wvpeia.com.

Revenues collected by RHBT are used to fund current OPEB health care claims and administrative expenses with residual funds held in trust for future OPEB costs. The rates charged must generate sufficient revenues to not only meet all expected expenses, including insurance, administrative expenses, and incurred but unreported claims of the RHBT, but also include the amounts necessary to fund the unfunded obligation of the plan over an amortization period not to exceed 30 years.

In an effort to reduce OPEB obligations, after conducting public hearings around the State in November, 2011, the PEIA Finance Board met on December 13, 2011 and adopted its plan for 2012-2013 which, among other things, cut health benefits by approximately $18.4 million per year and set a cap on retiree premium subsidies of $343 per month, effective as of July 1, 2012, for those employees hired on or before July 30, 2010. The $343 retiree premium subsidy cap will increase over time for inflation, but by no more than 3% per year. This action is calculated to reduce the State of West Virginia's OPEB liability by half to $5 billion and is projected to ultimately eliminate the OPEB liability by 2040.

The OPEB liability, Actuarial Accrued Liability (AAL), for the multiple-employer-cost sharing plan, for plan year FY 2012, was estimated at $10.3 billion. This amount represents a substantial unfunded liability for the employers which are a part of the plan. The action taken by the PEIA Finance Board at its December 13, 2011 meeting is estimated to have cut the OPEB liability in half to approximately $5 billion. The PEIA 2012-2013 plan contemplates that State retirees will pay the additional $5 billion over time in the form of higher premiums or reduced benefits or both.

On February 10, 2012, the West Virginia Legislature passed Senate Bill 469 which creates a plan to address the funding of OPEB liabilities associated with the PEIA in the State of West Virginia. The Senate Bill eliminates health care insurance premium subsidies for PEIA insured employees which were hired after July 1, 2010 and sets up the Post July 1, 2010 Employee Trust Fund for the purpose of funding retirement benefits for employees hired after July 1, 2010. Under Senate Bill 469, following the elimination of the actuarial unfunded liability of the State's Workers' Compensation Trust Fund, the State will begin to apply $35 million a year from personal income tax collections as follows: $30 million a year will be deposited into the West Virginia Retiree Health Benefit Trust Fund (until the actuarial unfunded liability is eliminated or July 1, 2037, whichever is later to occur) for the purpose of paying down the remaining $5 billion of long-term OPEB liability associated with the PEIA, and (ii) $5 million a year will be deposited into the Post July 1, 2012 Employee Trust Fund to assist employees hired after July 1, 2010.

For professional employees, service personnel and professional student support personnel of the various County Boards of Education in the State, including the Board, which are employed within the limits permitted by

the foundation allowance of the State school aid formula, the necessary OPEB premiums which are required to be paid to PEIA with respect to such employees shall be charged to the State of West Virginia. However, such County Boards of Education, including the Board, retain liability for the necessary OPEB premiums which are required to be paid to PEIA for all professional employees, service personnel and professional student support personnel which are employed by such County Boards of Education in excess of the limits permitted by the foundation allowance of the State school aid formula.

In accordance with GASB requirements, the Board accrues OPEB costs based upon invoices received from PEIA based upon actuarially determined amounts. As of June 30, 2011, June 30, 2010, and June 30, 2009, the noncurrent liability related to OPEB costs for the Board was $3,289,347, $3,517,329, and $391,997. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2011 was $7,198,673. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2010 was $3,909,327. For additional information regarding the Board's liabilities and expenses, see "APPENDIX A – Audit Report of Brooke County Board of Education for the Fiscal Year Ended June 30, 2011" and the accompanying notes to the financial statements.

Sources: (West Virginia Public Employees Insurance Agency; Brooke County Board of Education)

Insurance Coverage (Source: Brooke County Board of Education)

1. Type		Amount in Force (FY 2012)
Deluxe Commercial Property insurance		$74,462,854
Deductible per occurrence		$2,500 per occurrence
Machinery and Equipment insurance		$18,102,794
Deductible per occurrence		$2,500 per occurrence
Flood insurance		$500,000 per building and contents
Deductible per occurrence		$2,000
Public official position bond:	Superintendent	$50,000
	Board President	$50,000
	Treasurer	$300,000
Fidelity Honesty Bond		$250,000

Liability Insurance: The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2011 to July 1, 2012. The Board is insured for the following coverages:

Comprehensive general liability insurance
Personal injury liability insurance
Professional liability insurance
Stop gap liability insurance
Wrongful act liability insurance
Comprehensive auto liability insurance
Auto physical damage insurance, including comprehensive and collision, and
Garagekeepers insurance.

2. Limits of Liability

EACH OCCURRENCE: $1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS: The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.

DEFENSE COSTS: Defense costs are in addition to each occurrence limit of liability.

INVESTMENT CONSIDERATIONS

Annual Audit

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The School District is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the School District's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain municipalities to obtain audit services from certain approved accounting firms. The School District has been instructed by the Chief Auditor to procure audit services pursuant to such procedures. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the School District and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Agreement. See "Continuing Disclosure" herein. Additionally, the School District has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

TAX MATTERS

In the opinion of Goodwin & Goodwin, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is taken into account in determining the adjusted current earnings of certain corporations for purpose of calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that, under existing law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL" hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Resolution, the Tax Compliance Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and

conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Goodwin & Goodwin, LLP.

Original Issue Premium

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocated to such beneficial owner. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Preliminary Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with bond premium, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bank Qualification

The Board has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code, and, in the case of certain financial institutions (within the meaning of Code Section 265(b)(5), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

Market Discount

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number Certification," or unless the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income

for federal income tax purposes. Any amounts withheld pursuant to backup withholding should be allowed as a refund or a credit against any owner's federal income tax once the required information is furnished to the Internal Revenue Service ("IRS").

State Income Tax Exemption

In the opinion of Bond Counsel, under the existing laws of the State of West Virginia, as presently written and applied, the Bonds, together with the interest thereon, shall be exempt from all taxation by the State of West Virginia, or by any county, municipality or political subdivision thereof.

Individual Circumstances

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future Tax Changes

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board, or about the effect of future changes in the Code, the application of regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel Obligations

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the Board or the beneficial owners regarding the tax exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Board and their appointed counsel including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Board or the beneficial owners to incur significant expense.

Bond Counsel's opinions represent its legal judgment based in part upon the representations and covenants referenced therein and its review of existing law, but are not a guarantee of result or binding on the IRS or the courts. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinions or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988 89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.

2. The decision of the Honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and

3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.

4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age appropriate, non handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. Counsel to the Board has reviewed the current status of all pending and threatened litigation, and expresses the opinion of the Board that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse effect on the repayment of the Bonds.

On February 22, 2010, forty-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor (the "OPEB Litigation") seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. The Circuit Court of Kanawha County dismissed the suit on the grounds that it was a political question better answered by the West Virginia Legislature. The county boards of education appealed this decision to the West Virginia Supreme Court. The West Virginia Supreme Court upheld the Circuit Court of Kanawha County's decision to dismiss the suit. The Board does not expect the result of the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Bonds.

The West Virginia Legislature enacted Senate Bill 469 subsequent to the West Virginia Supreme Court's decision in the OPEB Litigation above described. Senate Bill 469 provides that OPEB premiums associated with

the PEIA for certain County School Board employees which are employed within the foundation allowance of the State school aid formula are to be charged to the State of West Virginia rather than the County School Boards. However, the County School Boards retain liability for such OPEB premiums for employees which are employed outside of the foundation allowance of the State school aid formula (see Other Post-Employment Benefits discussion in this Official Statement for additional detail).

The State of West Virginia's OPEB liability and the Board's OPEB liability may be subject to additional lawsuits and legislative action in the future which could have an effect on the amount of the Board's OPEB liability. No representation can be made regarding the potential outcome of any such lawsuits, if initiated, or the likelihood of any future legislative actions and any effect on the amount of the Board's OPEB liability.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX F (the "Continuing Disclosure Agreement"), to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2012, and to provide notice of the occurrence of the enumerated events listed therein, if material (for those enumerated events which specify a materiality determination). The Annual Information and each notice of enumerated events will be filed electronically by WesBanco Bank, Inc., Wheeling, West Virginia, as dissemination agent, on behalf of the Board (the "Dissemination Agent"), with the Electronic Municipal Markets Access system maintained by the Municipal Securities Rulemaking Board ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Dissemination Agent has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any failure to supply information pursuant to the terms of the Continuing Disclosure Agreement will not constitute a default under the terms of the Bonds or any document executed and delivered in connection therewith. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Prior Continuing Disclosure Non-Compliance

The Board has not complied in all material respects with the majority of their continuing disclosure obligations in connection with the Bonds to be Refunded. Specifically, the Board failed to provide their 2007, 2008, 2009, 2010 and 2011 Annual Reports to the applicable Nationally Recognized Municipal Securities Information Repositories in a timely manner and further failed to upload its 2009, 2010 and 2011 Annual Reports to Electronic Municipal Market Access system ("EMMA"). On September 10, 2012, the Board made filings that fulfilled all continuing disclosure obligations that had not been satisfied during the past 3 years. The Board is now fully in compliance with their continuing disclosure obligations related to the Board's outstanding bonds. The Board has established new policies and procedures that they believe will ensure full and timely compliance with all continuing disclosure obligations in the future, including engaging the Dissemination Agent.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Bonds. Certain legal matters will be passed upon for the Board by David B. Cross, Esq., Brooke County Prosecuting Attorney, Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Spilman Thomas & Battle, PLLC, Charleston, West Virginia, as Counsel to the Underwriter.

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of 'AA' based on the Board's eligibility and participation in the West Virginia Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

VERIFICATION AGENT

Grant Thornton LLP, 500 US Bank Plaza N, 200 S. 6th Street, Minneapolis, Minnesota has been retained as verification agent for the Bonds (the "Verification Agent"). The Verification Agent shall provide a verification of the sufficiency of the escrow for the repayment of the Bonds to be Refunded on the redemption date thereof.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as Underwriter. The Purchase Contract provides that the Underwriter will purchase all the Bonds if any are purchased, the obligation to make such purchase being subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof. The Underwriter has agreed to purchase the Bonds, subject to certain conditions, for a purchase price of $4,185,929.85 (par less an Underwriter's discount of $55,375.00 plus original issue premium in the amount of $166,304.85).

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper Jaffray & Co.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the Bonds. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Brooke.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no

representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purposes. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. The distribution of this Official Statement has been approved by the Board. Additional information may be obtained from the superintendent at 1201 Pleasant Avenue, Wellsburg, West Virginia, 26070, telephone (304) 737-3481.

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THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: /s/ James R. Piccirillo, President

APPENDIX A

Audit Report of Brooke County Board of Education for the Fiscal Year Ended June 30, 2011

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AUDIT REPORT OF
BROOKE COUNTY BOARD OF EDUCATION
WELLSBURG, WEST VIRGINIA
For the Fiscal Year Ended June 30, 2011

AUDIT REPORT OF
BROOKE COUNTY BOARD OF EDUCATION
For the Fiscal Year Ended June 30, 2011

This audit has been conducted pursuant to the authority and duty of the State Auditor as Chief Inspector and Supervisor of Public Offices to conduct an annual inspection of all political subdivisions of the State of West Virginia and any agency created by these subdivisions. This power is granted by West Virginia Code §6-9-1 et seq.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF FUNDS INCLUDED IN REPORT
For the Fiscal Year Ended June 30, 2011

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General Current Expense Fund

Special Revenue Funds

Restricted Projects
ARRA

Capital Projects Funds

Bond Construction
Permanent Improvement

Debt Service Fund

FIDUCIARY FUND TYPE

Agency Fund

School Activity

BROOKE COUNTY BOARD OF EDUCATION
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INTRODUCTORY SECTION

BROOKE COUNTY BOARD OF EDUCATION
OFFICIALS
For the Fiscal Year Ended June 30, 2011

OFFICE	NAME	TERM
	Elective	
Board Members:	James Piccirillo	07-01-08 / 06-30-12
	Brian Ferguson	07-01-08 / 06-30-12
	Michael Simon	08-23-10 / 11-12-10
	Chad Haught	11-12-10 / 06-30-14
	James Lazear	07-01-10 / 06-30-14
	Frank Ujcich	07-01-10 / 06-30-14
	Appointive	
Board President:	James Piccirillo	07-01-10 / 06-30-12
Treasurer:	James R. Hervey	

FINANCIAL SECTION

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
1900 Kanawha Boulevard, East
Building 1, Room W-100
Charleston, West Virginia 25305

Toll-Free: 877-982-9148
Telephone: (304) 558-2540
FAX: (304) 205-6033
www.wvsao.gov

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Brooke County Board Of Education
Wellsburg, West Virginia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of the Brooke County Board of Education (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the Brooke Board of Education, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the Board implemented the provisions of Governmental Accounting Standards Board Statement Number 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* and Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2012, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 11 and budgetary comparison information for the General Current Expense Fund and the Special Revenue Fund on pages 45 through 48, are not a required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brooke County Board of Education's financial statements. The introductory section, budgetary comparison information for the Debt Service Fund, Bond Construction Fund and the Permanent Improvements Fund, and the Schedule of Changes in School Activity Funds are presented for purposes of additional analysis and are not required parts of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of the Brooke County Board of Education. Such information, with the exception of the introductory section, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 5, 2012, except for Note 18 as to which
date is May 1, 2012

This narrative discussion and analysis provides an overview of the financial activities of the Brooke County Board of Education (the Board) for the fiscal year ended June 30, 2011. Please consider this discussion and analysis in conjunction with information provided in the Board's basic financial statements and the accompanying notes, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

The assets of the Board exceeded its liabilities at the close of the most recent fiscal year by $14,157,443 (net assets).

The government's total net assets decreased by $1,967,587. Our Unrestricted Net Assets decreased $5,035,639 due to recording of Other Post Employment Benefits (OPEB) expense and liability for the year ended June 30, 2011.

As of the close of the current fiscal year, the Board's governmental funds reported a combined ending fund balance of $2,403,559, a decrease of $3,701,955 in comparison with the prior year. As with the government-wide statements, most of this decrease is due to recognition of the Other Post Employment Benefit expense and liability, as required by the Governmental Accounting Standards Board's Statement No. 45 - *Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions* (OPEB).

As a consequence of the recognition of the OPEB liability mentioned above, the total fund balance for the general fund reported a negative balance of $(72,218) or (.24)% of General Fund expenditures at the end of the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 12 to 14 of this report.

Fund financial statements - A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, and the special revenue fund for the American Recovery and Reinvestment Act (ARRA) all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 15 to 19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Board's own programs.

The Board maintains one agency fund to account for resources held for student groups and activities.

The basic fiduciary funds financial statement can be found on page 20 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 21 to 44 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by $14,157,443 at the close of the most recent fiscal year.

Brooke County Board of Education's Net Assets

	Governmental activities	
	FY 2011	FY 2010
Current and other assets	$ 13,675,036	$ 14,621,063
Capital assets	17,479,947	16,847,608
Total assets	31,154,983	31,468,671
Current and other liabilities	10,638,407	7,891,370
Long term liabilities	6,359,133	7,452,271
Total liabilities	16,997,540	15,343,641
Net assets:		
Invested in capital assets, net of related debt	11,169,947	9,452,608
Restricted	4,127,436	2,776,723
Unrestricted	(1,139,940)	3,895,699
Total net assets	$ 14,157,443	$ 16,125,030

The largest portion of the Board's net assets, $11,169,947 or 78.9 percent, reflects its investment in capital assets (e.g. land, site improvements, buildings, furniture and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Board's net assets, $4,127,947 represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for the capital projects and the payment of outstanding bonds. The remaining balance of unrestricted net assets (8.1) percent may be used to meet the government's ongoing obligations to students, citizens and creditors and to honor next year's budget.

The Board is able to report positive balances in two of the three categories of net assets at the end of the current fiscal year.

Restricted net assets increased by $1,350,713 during the year ended June 30, 2011.

The Board's net assets decreased by $1,967,587 during the 2011 fiscal year. Most of this decrease is due to the OPEB expense and liability recognized for the period.

The key elements of the change in the Board's net assets for the years ended June 30:

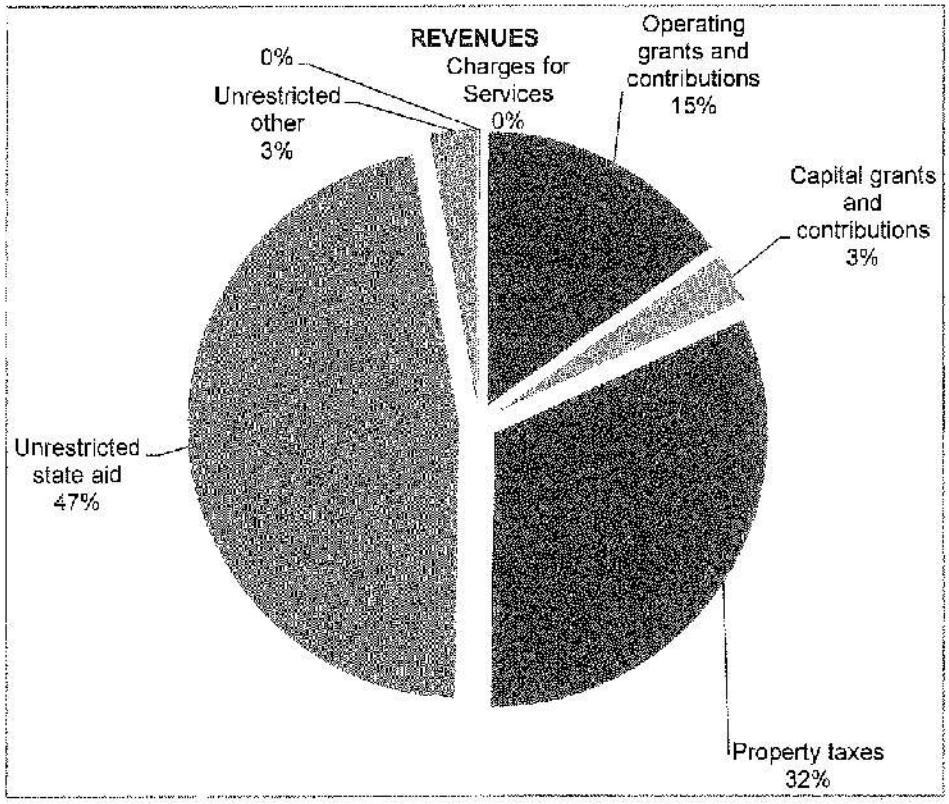
Brooke County Board of Education's Changes in Net Assets

	Governmental activities	
	FY 2011	FY 2010
Revenues:		
Charges for services	$ 32,782	$ 26,038
Operating grants and contributions	5,524,242	6,160,846
Capital grants and contributions	1,080,916	288,310
Property taxes	11,705,881	12,329,764
Unrestricted state aid	17,146,376	17,377,690
Unrestricted investment earnings	60,443	66,863
Unrestricted grants and contributions	951,433	1,032,275
Proceeds from sale of capital assets	-	7,007
Total revenues	$ 36,502,073	$ 37,288,793
Expenses:		
Instruction	$ 22,336,415	$ 23,143,012
Supporting services:		
Students	1,967,706	1,952,544
Instructional staff	1,381,029	544,638
District administration	714,320	1,651,310
School Administration	2,135,982	2,134,786
Business services	331,710	368,601
Operation and maintenance	4,895,970	4,994,096
Transportation	2,525,576	2,491,658
Total supporting services	13,952,293	14,137,633
Food service	1,705,365	1,797,859
Community services	137,850	136,107
Interest on Long Term Debt	337,737	384,688
Total expenses	38,469,660	39,599,299
Change in net assets	(1,967,587)	(2,310,506)
Net assets - beginning of year	16,125,030	18,435,536
Net assets - end of year	$ 14,157,443	$ 16,125,030

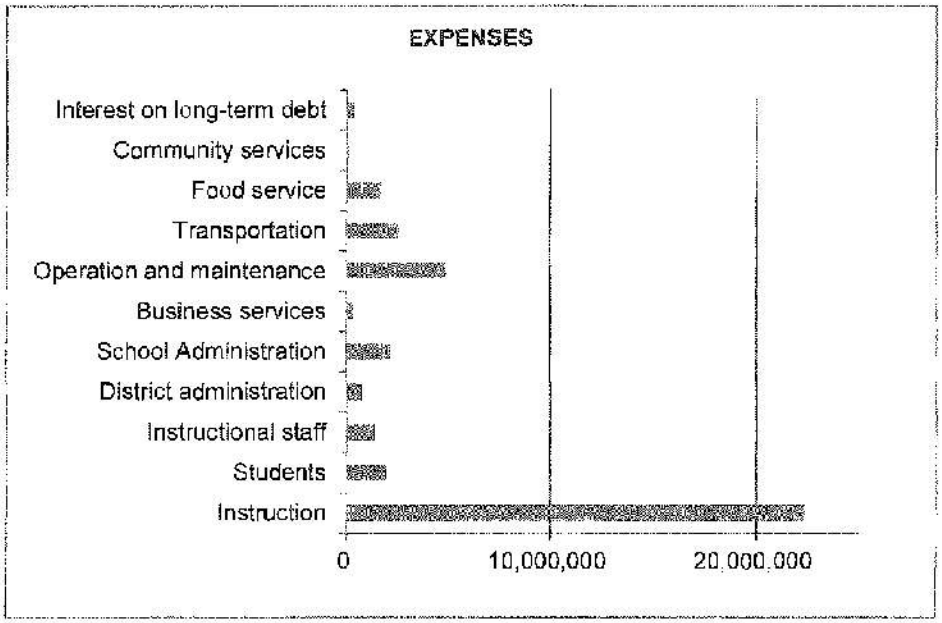
The reason for the decrease in the Net Assets was recording Other Post-Employment Benefit liability in the amount of $7,198,673. Additional information can be found in Note 9 to the basic financial statements.

The major reason for the increase in capital grants and contributions of $792,606 was the receipt of School Business Authority Projects.

The following chart shows the Board's revenues for fiscal year ended June 30, 2011 by source:



The following chart shows the Board's expenses for fiscal year ended June 30, 2011 by function:



Expenditures decreased by $1,129,638 for many reasons. One reason is there was not a major textbook adoption in fiscal year 2011. Another main reason for the decrease is due to a reduction in the number of personnel employed.

Financial Analysis of the Board's Funds

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the Board completed the year, its governmental funds reported a combined fund balance of $2,403,559. A portion of this balance, $4,636,746, has been reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and purchase orders of the prior period. The final component of fund balance, the unassigned is reported as a negative $(6,055,613) and is a result of the recognition of the OPEB liability, $7,198,673, as a current liability in the fund financial statements.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget revisions reflected changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of $6,029,003 in total general fund expenditures. The major portion of the increase is due to the re-establishment of the budget balances from the prior year and the current fiscal year restricted grants.

Capital Assets and Long-term Liabilities

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2011, amounts to $17,479,947 (net of accumulated depreciation). This investment in capital assets includes land, site improvements, buildings and improvements, furniture and equipment, and vehicles. The total increase in the Board's investment in capital assets for the current fiscal year was $632,339 or 3.6 percent.

Asset Additions	FY 2011	FY 2010
Land	$ 2,123,795	$ 2,123,795
Long term site improvements	1,687	2,108
Buildings and improvements	13,678,106	13,130,953
Furniture and equipment	296,059	231,428
Vehicles	1,380,300	1,359,324
Total capital assets	$ 17,479,947	$ 16,847,608

Additional information on the Board's capital assets can be found in Note 6 to the basic financial statements.

Long-term liabilities - The only long-term liability that the Board has is due to total bonded debt outstanding of $6,310,000 and no capital lease obligations. At June 30, 2010, the Board had a long term liabilities of $7,395,000.

Factors Bearing on the Board's Future

At the time these financial statements were prepared and audited, the Board was aware of circumstances that could significantly affect its financial health in the future:

Beginning July 1, 2007, because of the State of West Virginia implementation of GASB Statement 45, West Virginia State Code required the Board to participate in a new Other Post-Employee Benefit multi-employer trust fund for sick leave liability. As such, the Board received billings from the trust fund which when paid will increase the Board's cash expenditures. Currently, the Board anticipates the billings to be approximately $3,289,347. To date, the State of West Virginia has not established and funding source to offset this payment. With the Board's implementation of GASB Statement 45 in fiscal year 2009, the liability for these payments will be reflected on the Board's funds statements. Additional information can be found in Note 9 to the basic financial statements.

Additional information on the Board's excess levy can be found in Note 5 to the basic financial statements. The continuation of the five year Excess Levy was submitted to the voters at the General Election held November 4, 2008 for their approval and passed.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Brooke County Board of Education, 1201 Pleasant Avenue, Wellsburg, WV, 26070.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	7,082,559
Investments		4,271,377
Taxes receivable, net of allowance for uncollectible taxes		590,150
Food services receivable		21,890
Other receivables		1,185,822
Deferred Charges - issuance costs		19,325
Due from other governments:		
State aid receivable		63,373
PEIA allocation receivable		429,006
Reimbursements receivable		11,534
Capital Assets not being depreciated:		
Land		2,123,795
Capital Assets being depreciated:		
Long-term site improvements		941,327
Buildings and improvements		30,453,278
Furniture and equipment		5,485,456
Vehicles		3,507,306
Less accumulated depreciation		(25,031,215)
Total capital assets, net of depreciation		17,479,947
Total assets	$	31,154,983
LIABILITIES AND NET ASSETS		
Liabilities:		
Salaries payable and related payroll liabilities		2,010,684
PEIA premiums payable		411,402
Deferred revenues		717,956
Accounts payable		299,692
Other post employment benefit payable - state aid funded employees		6,269,923
Other post employment benefit payable - all other employees		928,750
Long-term obligations:		
Due within one year:		
Bonds, capital leases, and contracts		1,140,000
Accrued interest		49,133
Due beyond one year:		
Bonds, capital leases, and contracts		5,170,000
Total liabilities		16,997,540

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

		Governmental Activities
Net Assets:		
Invested in capital assets, net of related debt	$	11,169,947
Restricted for:		
Debt service		1,392,689
Special projects		319,654
Worker's compensation		-
Capital projects		2,415,093
Unrestricted		(1,139,940)
Total net assets	$	14,157,443

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue & Changes in Net Assets Governmental Activities
Governmental activities:					
Instruction	$ 22,336,415	$ 18,203	$ 2,614,768	$ 600,233	$ (19,103,211)
Supporting services:					
Students	1,967,706	1,777	231,470	58,586	(1,675,873)
Instructional staff	1,381,029	1,249	450,850	41,183	(887,747)
District administration	714,320	646	67,231	21,294	(625,149)
School administration	2,135,982	1,931	201,010	63,666	(1,869,375)
Business services	331,710	298	31,056	9,836	(290,520)
Operation and maintenance of facilities	4,895,970	4,583	477,101	151,112	(4,263,174)
Student transportation	2,525,576	2,124	221,145	70,043	(2,232,264)
Food services	1,705,365	1,541	1,184,905	50,803	(468,116)
Community services	137,850	125	12,968	4,107	(120,650)
Interest on long-term debt	337,737	305	31,738	10,053	(295,641)
Total governmental activities	$ 38,469,660	$ 32,782	$ 5,524,242	$ 1,080,916	(31,831,720)
General revenues:					
Property taxes					11,705,881
Unrestricted state aid					17,146,376
Unrestricted investment earnings					60,443
Unrestricted grants and contributions					951,433
Total general revenues					29,864,133
Change in net assets					(1,967,587)
Net assets - beginning					16,125,030
Net assets - ending					$ 14,157,443

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Total Governmental
ASSETS							
Cash and cash equivalents	$ 5,780,491	$ 587,323	$ -	$ 444	$ 382,768	$ 331,533	$ 7,082,559
Investments	2,839,473	-	-	1,431,904	-	-	4,271,377
Taxes receivable, net	469,031	-	-	121,119	-	-	590,150
Food service receivable, net	-	21,890	-	-	-	-	21,890
Other receivables	734,170	450,289	1,363	-	-	-	1,185,822
Due from other governments:							
State aid receivable	63,373	-	-	-	-	-	63,373
PEIA allocation receivable	429,006	-	-	-	-	-	429,006
Reimbursements receivable	11,534	-	-	-	-	-	11,534
Due from other funds	1,363	-	-	-	-	-	1,363
Total assets	$10,328,441	$1,059,502	$ 1,363	$1,553,467	$ 382,768	$ 331,533	$ 13,657,074
LIABILITIES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liabilities	$ 2,010,684	$ -	$ -	$ -	$ -	$ -	$ 2,010,684
Other post employment benefits payable:							
state aid funded	6,269,923	-	-	-	-	-	6,269,923
all other employees	928,750	-	-	-	-	-	928,750
PEIA premiums payable	411,402	-	-	-	-	-	411,402
Accounts payable	299,692	-	-	-	-	-	299,692
Deferred revenue	480,208	739,848	-	111,645	-	-	1,331,701
Due to other funds	-	-	1,363	-	-	-	1,363
Total liabilities	10,400,659	739,848	1,363	111,645	-	-	11,253,515
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	267,996	215,014	914,508	1,441,822	382,768	26,697	3,248,805
Committed	4,636,746	-	-	-	-	-	4,636,746
Assigned	137,742	116,052	14,991	-	-	304,836	573,621
Unassigned	(5,114,702)	(11,412)	(929,499)	-	-	-	(6,055,613)
Total fund balances	(72,218)	319,654	-	1,441,822	382,768	331,533	2,403,559
TOTAL LIABILITIES AND FUND BALANCES	$10,328,441	$1,059,502	$ 1,363	$1,553,467	$ 382,768	$ 331,533	$ 13,657,074

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2011

Total fund balances on the governmental fund's balance sheet	$ 2,403,559
Amounts reported for governmental activities in the statement of net assets are different due to:	
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds. (Note 6)	17,479,947
Deferred charges are not reported in the funds	19,325
Receivable amounts that will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds.	
Taxes receivable	507,472
Medicaid receivable	68,659
E-rate receivable	4,189
Food service receivable	21,890
CPS Zone receivable	11,534
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(6,310,000)
Accrued interest on bonds	(49,132)
Net assets of governmental activities	$ 14,157,443

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Total Governmental
Revenues:							
Property taxes	$ 10,271,518	$ -	$ -	$1,409,128	$ -	$ -	$ 11,680,646
Other Local sources	351,875	341,871	-	3,307	5,509	1,541	704,103
State sources	17,150,435	995,500	-	-	-	1,080,916	19,226,851
Federal sources	757,190	2,513,810	1,606,717	-	-	-	4,877,717
Total revenues	28,531,018	3,851,181	1,606,717	1,412,435	5,509	1,082,457	36,489,317
Expenditures:							
Instruction	17,659,759	2,105,669	1,539,510	-	-	-	21,304,938
Supporting services:							
Students	1,617,284	349,779	643	-	-	-	1,967,706
Instructional staff	1,081,847	285,807	13,375	-	-	-	1,381,029
Central administration	584,780	6,000	-	-	-	-	590,780
School administration	2,134,182	1,800	-	-	-	-	2,135,982
Business	327,844	-	-	-	-	-	327,844
Operation and maintenance of facilities	4,689,338	78	1,363	-	3,304	107,949	4,802,032
Student transportation	2,243,288	175,878	39,706	-	-	-	2,458,872
Food services	-	1,705,365	-	-	-	-	1,705,365
Community services	56,962	80,888	-	-	-	-	137,850
Capital outlay	350,637	27,325	-	-	503,323	1,066,713	1,947,998
Debt service:							
Principal retirement	-	-	-	1,085,000	-	-	1,085,000
Interest and fiscal charges	-	-	-	345,875	-	-	345,875
Total expenditures	30,745,921	4,738,589	1,594,597	1,430,875	506,627	1,174,662	40,191,271

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Total Governmental
Excess (deficiency) of revenues over expenditures	$ (2,214,903)	$ (887,408)	$ 12,120	$ (18,440)	$ (501,118)	$ (92,205)	$ (3,701,954)
Other financing sources (uses):							
Transfers in	36,324	676,657	-	-	-	-	712,981
Transfers (out)	(676,657)	(24,204)	(12,120)	-	-	-	(712,981)
Total other financing sources (uses)	(640,333)	652,453	(12,120)	-	-	-	-
Net change in fund balances	(2,855,236)	(234,955)	-	(18,440)	(501,118)	(92,205)	(3,701,954)
Fund balances - beginning	2,783,018	554,609	-	1,460,262	883,886	423,738	6,105,513
Fund balances - ending	$ (72,218)	$ 319,654	$ -	$1,441,822	$ 382,768	$ 331,533	$ 2,403,559

The notes to the financial statements are an integral part of this statement.

BROOKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2011

Amounts reported for governmental activities in the statement of activities are different due to:

Net change in fund balances - total governmental funds		$ (3,701,954)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect on net assets is the amount by which capital outlays exceed depreciation in the current period. (Note 6)		
Depreciation expense		(1,315,659)
Capital outlays		1,947,997
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, rather they are reported as deferred revenues.		
Taxes receivable	[current year $507,472 less prior year $ 482,237]	25,235
Medicaid receivable	[current year $68,659 less prior year $0]	68,659
E-rate receivable	[current year $4,188 less prior year $34,547]	(30,358)
Food service receivable	[current year $ 21,890 less prior year $ 24,203]	(2,313)
Athletic Complex receivable	[current year $ 0 less prior year $ 60,000]	(60,000)
CPS Zone receivable	[current year $ 11,534 less prior year $ 0]	11,534
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net assets. (Note 7)		
Bonds payable		1,085,000
Amortization of bond issuance costs are reported in the statement of activities but do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds		(3,865)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		8,137
Change in net assets of governmental activities		$ (1,967,587)

BROOKE COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND
For the Year Ended June 30, 2011

	Agency Fund School Activity Funds
ASSETS	
Cash and cash equivalents	$ 289,488
Total assets	$ 289,488
LIABILITIES	
Due to Student Activities	289,488
Total liabilities	$ 289,488

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the ultimate standard-setting body for state and local governments.

A. Reporting Entity:

The Brooke County Board of Education (the Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school board and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement No. 14 (as amended by GASB Statement No. 39) establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The Board has no component units, defined by GASB Statement No. 14 (as amended by GASB Statement No. 39) as other legally separate organizations for which the elected board members are financially accountable.

B. Government-wide and Fund Financial Statements:

The Government-wide financial statements (the statement of net assets and the statement of activities) display information about the Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a function or segment and, therefore, are clearly identifiable to a particular function or segment.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The fund financial statements provide information about the individual funds maintained by the School Board. All funds maintained by the school Board are considered to be major funds for reporting purposes and are presented in individual separate columns.

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Special Revenue Fund – American Reinvestment and Recovery Act (ARRA): A separate special revenue fund to account for all revenues and expenditures attributable to ARRA funds that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects, and; one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: school activity funds to account for the assets of the individual schools of the Board, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the school Board by a benefactor for the purpose of providing scholarships for graduates of the county school Board.

C. Measurement Focus and Basis of Accounting:

The Government-wide statements (Statement of Net Assets and the Statement of Activities) were prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows are received. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place; revenues and expenses resulting from non-exchange transactions, such as property taxes, federal and state grants, state aid to schools, and donations, are recognized in accordance with the requirements of GASB Statement No. 33. Property taxes are recognized in the fiscal year for which the taxes are levied; state aid to schools is recognized in the year for which the legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues available if they are collectible within 60 days after year-end, except taxes which are recognized if collectible within 30 days after year end. Expenditures are recorded generally when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing resources.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances:

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported in the appropriate fund balance category (restricted, committed or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2011 were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Investments of the Board at June 30, 2011 consisted of the following:

	Carrying Amount	Estimated Fair Value	Book Balance
State Investment Pool	$ 344,087	$ 344,087	$ 344,087
Municipal Bond Commission	3,927,290	3,927,290	3,927,290
Total investments	$ 4,271,377	$ 4,271,377	$ 4,271,377

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the Board's name. **Custodial credit risk** is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short-term investments that are less affected by changes in market rates as compared to long-term investments.

At June 30, 2011, the Board has $4,271,377 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2011, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by $2,000 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund Receivables and Payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Capital Assets:

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the Government-wide financial statements. The Board defines capital assets as assets with an initial, individual cost of $5,000 or more for land, furniture, vehicles, and equipment and $100,000 for buildings with an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Site Improvements	20 – 35
Furniture and Equipment	5 – 20
Vehicles	8 – 12

I. Compensated Absences and Special Termination Benefits:

Compensated Absences:

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick benefits can be accumulated without limitation, respectively, and carried forward to the subsequent fiscal year but do not vest. All vacation pay is accrued when incurred. An employee can elect to use vacation and sick benefits toward their postemployment heath care insurance premium if employed prior to July 1, 2001. Also, if an employee is a member of the Teachers' Defined Benefit Retirement System may elect to use vacation and sick benefits toward additional years of service.

Special Termination Benefits:

When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board.

The payment of health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia State Legislature appropriates funds that are used by the Board to pay for its obligations for this special termination benefit. Because such appropriations are at the discretion of the Legislature and not guaranteed, the liability for sick leave convertible to health insurance premiums using the vesting method is recorded in the Board's financial statements. The Board records this liability utilizing the guidance of GASB Statements No. 43 and No. 45.

J. Long-term Obligations:

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

K. Restricted Net Assets:

For the Government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

L. Fund Equity:

Effective July 1, 2010, the Board adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* which establishes new standards of accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2011. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member Board or by a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

M. Elimination and Reclassifications:

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

N. Accounting Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. Restricted Resources:

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unassigned.

Note 2 - Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 24 – As of July 1, 2010, the Board implemented GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This statement requires the Board to record as a revenue and expenditure on behalf payments made by the State to the Consolidated Public Retirement Board for the unfunded liability of the Teachers Retirement System and disclose those amounts in the accompanying notes to the financial statements.

GASB 54 – As of July 1, 2010, the Board implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the terminology used to describe fund balances in the governmental funds and expanded the disclosure of those new definitions in the accompanying notes to the financial statements of the Board for the year ended June 30, 2011.

Note 3 - Risk Management:

The Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third-party liability claims.

Public Employees Insurance Agency (PEIA): The Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Members may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third party insurer.

Workers Compensation Fund (WCF): West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the State. Other private insurance companies can begin to offer coverage to private-sector employers beginning July 1, 2009 and to government employers July 1, 2010. Nearly every employer in the State, including all boards of education, which have a payroll must have coverage. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Note 4 - Property Taxes:

All property in the State is classified as follows for ad valorem tax purposes:

Class I -	All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.
Class II -	All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.
Class III -	All real and personal property situated outside of municipalities, exclusive of Class I and II property.
Class IV -	All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code §11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I - 22.95¢ per $100 of assessed valuation; Class II - 45.90¢ per $100 of assessed valuation; Class III - 91.80¢ per $100 of assessed valuation; and Class IV - 91.80¢ per $100 of assessed valuation.

Pursuant to West Virginia Code §11-8-6f, however, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessor's Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

The assessed valuations and levy rates levied by the Board per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2011 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ 0	19.40¢	22.95¢	5.74¢
Class II	$ 259,216,490	38.80¢	45.90¢	11.48¢
Class III	$ 88,287,134	77.60¢	91.80¢	22.96¢
Class IV	$ 404,734,828	77.60¢	91.80¢	22.96¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

Taxes Receivable:

Taxes receivable as of year end for the Board's funds are as follows:

	General Fund	Special Revenue Fund
Taxes Receivable	$ 890,925	$ 122,051
Less: allowance for uncollectible	(421,894)	(932)
Net total taxes receivable	$ 469,031	$ 121,119

Note 5 - Excess Levy:

The Board had an excess levy in effect during the fiscal year ended June 30, 2011. The levy was authorized by the voters of the county at an election held on November 4, 2008 for the fiscal years ended June 30,2010 through June 30, 2014 to provide funds for the following purposes:

A. To provide instructional materials including, but not limited to, textbooks, workbooks, computer software, library materials, other instructional materials, supplies and equipment for all students enrolled in Brooke County Schools and to improve access to technology through the purchase of hardware, software, infrastructure, repair, and training. To maintain, upgrade and connection to the West Virginia Education Information System, approximately $350,000 annually.

B. To provide for the health and safety of students enrolled in Brooke County Schools through capital improvements, security, maintenance, renovations and repairs of facilities. To comply with the fire marshal, health, and American Disabilities Act Requirements, E.P.A. and OSHA standards. To provide contract services, fire insurance, general liability insurance, and payment of utilities, approximately $1,950,000 annually.

C. To provide toward employee salaries / benefits annually:

1. To provide toward employee supplements and positions not funded by the State, extra-curricular positions, substitute costs for both service and professionals, and fixed charges approximately $2,461,600 annually.

2. Extra duty wages for the purpose of providing for academic and athletic trips and to provide for student body activities, approximately $65,000 annually.

3. To provide dental and optical coverage, health insurance, and retirement costs for all employees approximately $555,000 annually.

D. To provide legal and medical advisor fees, approximately $55,000 annually.

E. To fund necessary added services such as homebound and tutoring services including fixed costs, speech therapy, psychological services, occupational therapy, physical therapy, expulsion hearings, court recorders, grievances, RESA 6 and other qualified agencies, approximately $95,000 annually.

A total of $5,644,915 was received by the Board from the excess levy during the fiscal year ended June 30, 2011.

Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, non-depreciable:				
Land	$ 2,123,795	$ -	$ -	$ 2,123,795
Total non-depreciable capital assets	2,123,795	-	-	2,123,795
Capital assets, depreciable:				
Long-term site improvements	941,327	-	-	941,327
Buildings and improvements	28,896,942	1,556,336	-	30,453,278
Furniture and equipment	5,444,573	106,593	(65,710)	5,485,456
Vehicles	3,222,238	285,068	-	3,507,306
Total depreciable capital assets	38,505,080	1,947,997	(65,710)	40,387,367
Less accumulated depreciation for:				
Long-term site improvements	(939,218)	(422)	-	(939,640)
Buildings and improvements	(15,765,988)	(1,009,184)	-	(16,775,172)
Furniture and equipment	(5,213,146)	(41,961)	65,710	(5,189,397)
Vehicles	(1,862,914)	(264,092)	-	(2,127,006)
Total accumulated depreciation	(23,781,266)	(1,315,659)	65,710	(25,031,215)
Total depreciable capital assets, net	14,723,814	632,338	-	15,356,152
Total capital assets, net	$ 16,847,609	$ 632,338	$ -	$ 17,479,947

Depreciation expense was charged to functions of the governmental activities as follows:

Instruction	$ 1,031,477
Supporting Services:	
Central administration	123,540
Operation and maintenance of facilities	93,938
Transportation	66,704
Total depreciation expense - governmental activities	$ 1,315,659

Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
General obligation debt	$ 7,395,000	$ -	$ 1,085,000	$ 6,310,000	$ 1,140,000	$ 5,170,000
Total Long-term liabilities	$ 7,395,000	$ -	$ 1,085,000	$ 6,310,000	$ 1,140,000	$ 5,170,000

On November 3, 2000, the Board issued $15,000,000 in general obligation bonds to provide funds for school additions and renovations. The bonds mature in varying annual increments through May 1, 2011 and interest is payable semiannually at 4.5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	$ 1,140,000	$ 294,800	$ 1,434,800
2013	1,200,000	243,500	1,443,500
2014	1,260,000	189,500	1,449,500
2015	1,320,000	131,540	1,451,540
2016	1,390,000	69,500	1,459,500
Total	$ 6,310,000	$ 928,840	$ 7,238,840

Total bonded indebtedness at July 1, 2010	$ 7,395,000
Maturities	(1,085,000)
Total bonded indebtedness at June 30, 2011	$ 6,310,000

Note 8 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Defined Benefit Retirement System or the Teachers' Defined Contribution Retirement System. For the year ended June 30, 2011, the Board's total payroll for all employees was $20,545,881 and the payroll was $19,447,098 for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to the employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as State revenue (Contributions For/On Behalf of the LEA) in the Board's financial statements. The balance is considered to be the State's contribution toward the past service unfunded liability and is not included either as revenue or expenditure in the Board's financial statements.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

Conversion of leave for post-retirement: Upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree.

Teachers' Defined Benefit Retirement System:

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement, members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2010 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $4.8 billion as of July 1, 2010.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The employers' contributions are derived from State appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2011 and the two previous years were:

Year Ended June 30	2009	2010	2011
Required contributions	$404,547,000	$ 487,886,000	$ 471,171,000
As a % of current year covered payroll	25.89%	29.57%	28.55%

The financial statements include amounts paid for/on behalf of the county by the State of West Virginia for the unfunded liability portion of retirement benefits. The for/on behalf payment for the year ended June 30, 2011 was $4,637,663.

Total payments reflected in the Board's financial statements to the defined benefit plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (6%)	$ 1,069,522
Employer's contributions (15% or 7.5%)	1,936,472
Total contributions	$ 3,005,994

Teachers' Defined Contribution Retirement System:

Plan Description: All Board employees hired after July 1, 1991 but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the fiscal year ending June 30, 2009. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Orchard SecureFoundation Balanced, Orchard Lifetime 2015 Fund II, Orchard Lifetime 2025 Fund II, Orchard Lifetime 2035 Fund II, Orchard Lifetime 2045 Fund II, Orchard Lifetime 2055 Fund II, American Funds EuroPacific R5, Mutual Global Discovery Fund - Z, Heartland Value Plus Inst, Sentinel Small Company I, Vanguard Small-Cap Index Fund – Inv, Scout Mid Cap, Westcore Select, JHancock Large Cap Equity I, Putnam Equity Income Y, Vanguard Large Cap Index Inv, PIMCO Total Return Fund – Admin, TIAA-CREF High-Yield Inst, Vanguard Interm-Term Bond Index Fund and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2011, this plan had approximately $ 251.82 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West, an independent third party administrator.

Funding Status: There is no unfunded liability for a defined contribution plan since a member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon. Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teachers' Defined Benefit Retirement System.

Contribution Requirements and Payments Made: This is a fully-qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 4.5% of their gross salary and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 12% annually.

Total payments reflected in the Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (4.5%)	$	72,883
Employer's contributions (7.5%)		121,472
Total contributions	$	194,355

The Consolidated Public Employees Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, 4101 MacCorkle Ave. S.E., Charleston, WV 25304-1636.

Note 9 - Post Employment Benefits Other Than Pension:

The Governmental Accounting Standards Board (GASB) issued Statement No. 45 in 2004 to establish standards for the measurement, recognition, and reporting of Other Post Employment Benefits (OPEB) expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards to the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teacher's Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2011 was determined to be:

	Total	Amount Per Policy Holder
Total Annual Required Contribution	$ 816,274,000	$ 10,844
Pay as you go - Retiree Subsidy	(145,671,196)	(1,935)
Remaining ARC	$ 816,274,000	$ 8,909

The following summarizes the Board's OPEB activity:

Total OPEB expense	$ 3,289,347
Plus Prior Year Ending Balance	3,909,327
OPEB at year end	$ 7,198,674
Portion attributable to personnel funded through the Public School Support Program (PSSP)	$ 6,269,923
Portion attributable to remaining personnel	$ 928,750

It is the opinion of the Board that the State is constitutionally required to appropriate sufficient funds to cover the cost of the ARC for personnel funded through the Public School Support Program (PSSP), however, no additional funds have been appropriated for this purpose as of the date of this report. Furthermore, the Board has elected, pursuant to the provisions of WVC §5-16D-6, not to remit to the RHBT any amount in excess of the minimum annual required premium payment.

Note 10 - Payments on Behalf:

The Board may receive commitments or payments made by the State or an intermediate governmental jurisdiction for the benefit of the Board or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the State or an intermediate unit on behalf of the Board's employees for services rendered to the Board. The revenues recorded as Payments on Behalf of the Board are as follows:

Retirement allocation by the State (03911)	$	1,651,049

Note 11 - Pending Litigation:

The Board is involved in a number of legal proceedings and claims, involving students, employees and citizens who have sued the Board for damages. While it is not possible to determine the ultimate outcome of any lawsuit with certainty, management believes that the ultimate outcome will not have a material adverse effect on the financial position of the Board. The Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

Note 12 - Restatement of Beginning Fund Balance:

There were no fund balances at the beginning of the year requiring restatement.

Note 13 - Committed Fund Balance - Designated:

The Board has designated a portion of the committed balance of the General Current Expense Fund at June 30, 2011 to be expended for the following purposes:

Purpose		Amount
School Improvement	$	470,826
PBS		6,329
Employees Over the Formula		2,400,000
Flood Relief - Donations		5,711
Retirement		200,000
Insurance		600,000
Technology		116,602
Asbestos		45,000
County Vehicles		30,000
School Improvement - EPS & BPS		253,000
Furniture		90,702
Building Improvement		250,400
Carpet & Tile		77,201
School to Work		21,203
Wellness Center		43,813
Arcelor Mittal Grant - CPS & MPS		4,858
Tennis Court		21,100
Total Committed Fund Balance -- Designated	$	4,636,745

Note 14 – Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2011 are as follows:

Fund Balance	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Bond Construction Fund
Restricted:					
Special projects	$ 267,996	$ 215,014	$ 914,508	$ -	$ -
Capital projects	-	-	-	-	382,768
Debt service	-	-	-	1,441,822	-
Committed:					
Earmarked Funds	4,636,746	-	-	-	-
Assigned:					
Encumbrances	137,742	116,052	14,991	-	-
Unassigned:	(5,114,702)	(11,412)	(929,499)	-	-
Total fund balances	$ (72,218)	$ 319,654	$ -	$ 1,441,822	$ 382,768

	Permanent Improvement Fund	Total Governmental
Restricted:		
Special projects	$ -	$ 1,397,518
Capital projects	26,697	409,465
Debt service	-	1,441,822
Committed:		
Earmarked Funds	-	4,636,746
Assigned:		
Encumbrances	304,836	573,621
Unassigned:	-	(6,055,613)
Total fund balances	$ 331,533	$ 2,403,559

Note 15 - Commitments, Contingencies and Subsequent Events:

The Board had encumbrances totaling $1,978,158 as of June 30, 2011 in the following funds:

General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund	Bond Construction Fund	Permanent Improvement Fund	Total
405,739	$ 331,066	$ 929,499	$ 7,018	$ 304,836	$ 1,978,158

Encumbrances are classified as Restricted, Committed, or Assigned fund balance depending on the specific purpose of the encumbrance.

During the fiscal year ended June 30, 2011, the Board was awarded grants in the amount of $77,327 and up to $1,429,586 from the School Building Authority (SBA) to finance the construction of the School Safety Access Plan and Roof Replacement at Brooke High School, respectively.

As of June 30, 2011 the following commitments for construction and other capital improvements existed, which are included in the restricted fund balance reflected in the accompanying financial statements:

Brooke High School Roof (From SBA)	$ 914,508
Brooke High School Roof (Local Share)	$ 304,836

Subsequent to June 30, 2011, the following additional commitments for construction and other capital improvements have been entered into:

Brooke High School Change Orders	$ 25,866

During the fiscal year ended June 30, 2010, the Board began pursuing legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing other postemployment benefits to employees otherwise funding through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability entitled "other postemployment benefits payable state aid eligible employees" on the accompanying financial statement and to pay any future amounts billed by PEIA for state aid eligible employees.

Note 16 - Interfund Balances and Transfers:

During the year ended June 30, 2011, the General fund transferred $676,657 to the Special Revenue fund to cover the expenditures as follows:

Food Service Program	$ 676,657

During the year ended June 30, 2011, the Special Revenue fund and Special Revenue fund - ARRA transferred $24,204 and $12,120, respectively, to the General fund to cover the expenditures as follows:

Indirect Costs	$ 36,324

Note 17 - Major Sources of Revenue:

The largest single source of revenue received by the Board is state aid funds through the Public School Support Program. In addition, the Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the Board's independent auditor and state and federal regulatory agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

Note 18 - Reissuance of Financial Statements:

The financial statements of the Brooke County Board of Education for fiscal year ended June 30, 2011 required reissuance due to the restatement of certain account balances. Specifically, the restatement included an increase to other receivables of $581,417 and an increase of $581,417 to operating grants and contributions: instruction at the government-wide level. The restatement included an increase to other receivables of $581,417 and an increase to general fund state revenue at the fund level. In addition, a restatement of $11,534 was made to increase operating grants and contributions: student transportation and decrease in deferred revenue at the government-wide level.

REQUIRED SUPPLEMENTARY INFORMATION

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance With
			Modified	Budget	Budget	Final Budget
	Original	Final	Accrual Basis	Basis	Basis	Favorable (Unfavorable)
Revenues:						
Property taxes	$ 9,927,320	$ 10,117,320	$ 10,271,518	$ -	$ 10,271,518	$ 154,198
Other Local sources	308,990	340,183	351,875	-	351,875	11,692
State sources	17,405,015	17,657,365	17,150,435	-	17,150,435	(506,930)
Federal sources	-	-	757,190	-	757,190	757,190
Miscellaneous sources	66,010	42,194	-	-	-	(42,194)
Total revenues	27,707,335	28,157,062	28,531,018	-	28,531,018	373,956
Expenditures:						
Instruction	15,596,065	19,754,441	17,659,759	(2,088,953)	15,570,806	4,183,635
Supporting services:						
Students	1,473,690	1,483,636	1,617,284	(142,220)	1,475,064	8,572
Instructional staff	656,590	987,644	1,081,847	(105,392)	976,455	11,189
Central administration	918,740	1,184,413	584,780	(35,004)	549,776	634,637
School administration	1,911,260	1,931,595	2,134,182	(247,460)	1,886,722	44,873
Business	341,710	342,285	327,844	(35,004)	292,840	49,445
Operation and maintenance of facilities	3,868,020	4,638,832	4,689,338	(365,863)	4,323,475	315,357
Student transportation	2,232,220	2,669,132	2,243,288	(269,451)	1,973,837	695,295
Community services	51,200	101,520	56,962	-	56,962	44,558
Capital outlay	15,000	-	350,637	-	350,637	(350,637)
Total expenditures	27,064,495	33,093,498	30,745,921	(3,289,347)	27,456,574	5,636,924
Excess (deficiency) of revenues over expenditures	$ 642,840	$ (4,936,436)	$ (2,214,903)	$ 3,289,347	$ 1,074,444	$ 6,010,880

The notes to the required supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL - GENERAL FUND

For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance With
			Modified	Budget	Budget	Final Budget
	Original	Final	Accrual Basis	Basis	Basis	Favorable (Unfavorable)
Other financing sources (uses):						
Transfers in	$ -	$ -	$ 36,324	$ -	$ 36,324	$ 36,324
Transfers (out)	(792,840)	(1,755,908)	(676,657)	-	(676,657)	1,079,251
Total other financing sources (uses)	(792,840)	(1,755,908)	(640,333)	-	(640,333)	1,115,575
Change in fund balances	(150,000)	(6,692,344)	(2,855,236)	3,289,347	434,111	7,126,455
Fund balance - beginning	150,000	6,692,344	2,783,018	3,909,326	6,692,344	-
Fund balance - ending	$ -	$ -	$ (72,218)	$ 7,198,673	$ 7,126,455	$ 7,126,455

The notes to the required supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
Local sources	$ 291,773	$ 423,045	$ 341,871	$ (81,174)
State sources	933,930	1,187,319	995,500	(191,819)
Federal sources	2,638,117	2,815,404	2,513,810	(301,594)
Total revenues	3,863,820	4,425,768	3,851,181	(574,587)
Expenditures:				
Instruction	291,155	2,880,302	2,105,669	774,633
Supporting services:				
Students	-	407,208	349,779	57,429
Instructional staff	14,426	422,338	285,807	136,531
Central administration	-	7,800	7,800	-
Business	-	6,350	-	6,350
Operation and maintenance of facilities	-	78	78	-
Student transportation	2,440,473	422,008	175,878	246,130
Food services	1,910,606	1,975,495	1,705,365	270,130
Community services	-	125,000	80,888	44,112
Capital outlay	-	27,325	27,325	-
Total expenditures	4,656,660	6,273,904	4,738,589	1,535,315
Excess (deficiency) of revenues over expenditures	(792,840)	(1,848,136)	(887,408)	960,728
Other financing sources (uses):				
Transfers in	792,840	1,323,645	676,657	(646,988)
Transfers (out)	-	(30,118)	(24,204)	5,914
Total other financing sources (uses)	792,840	1,293,527	652,453	(641,074)
Change in fund balances	-	(554,609)	(234,955)	319,654
Fund balance - beginning	-	554,609	554,609	-
Fund balance - ending	$ -	$ -	$ 319,654	$ 319,654

The notes to the required supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - ARRA
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues:				
Federal sources	$ 1,122,885	$ 3,049,930	$ 1,606,717	$ (1,443,213)
Total revenues	1,122,885	3,049,930	1,606,717	(1,443,213)
Expenditures:				
Instruction	1,122,885	1,539,485	1,539,510	(25)
Supporting services:				
Students	-	2,567	643	1,924
Instructional staff	-	27,462	13,375	14,087
Operation and maintenance of facilities	-	1,429,586	1,363	1,428,223
Student transportation	-	38,710	39,706	(996)
Total expenditures	1,122,885	3,037,810	1,594,597	1,443,213
Excess (deficiency) of revenues over expenditures	-	12,120	12,120	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	(12,120)	(12,120)	-
Total other financing sources (uses)	-	(12,120)	(12,120)	-
Change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -

The notes to the required supplementary information is an integral part of this schedule.

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds, but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2011, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Fund: General Current Expense Fund

Function	Amount
Capital Outlay	$ (350,637)

Fund: Special Revenue Fund - ARRA

Function	Amount
Instruction	$ (25)
Student Transportation	(996)

The overexpenditures in these programs were funded by a reduction of expenditures in the remaining instructional programs, available beginning fund balance and revenues received in excess of the anticipated amounts budgeted.

SUPPLEMENTARY INFORMATION

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
Local sources	$ 1,428,625	$ 1,428,625	$ 1,409,128	$ (19,497)
State sources	-	-	3,307	3,307
Total revenues	1,428,625	1,428,625	1,412,435	(16,190)
Expenditures:				
Debt service:				
Principal retirement	1,095,000	2,543,012	1,085,000	1,458,012
Interest and fiscal charges	343,625	345,875	345,875	-
Total expenditures	1,438,625	2,888,887	1,430,875	1,458,012
Excess (deficiency) of revenues over expenditures	(10,000)	(1,460,262)	(18,440)	1,441,822
Change in fund balances	(10,000)	(1,460,262)	(18,440)	1,441,822
Fund balance - beginning	10,000	1,460,262	1,460,262	-
Fund balance - ending	$ -	$ -	$ 1,441,822	$ 1,441,822

The notes to the supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget
	Original	Final	Accrual Basis	Favorable (Unfavorable)
Revenues:				
Other local sources	$ -	$ -	$ 1,541	$ 1,541
State sources	-	-	1,080,916	(1,080,916)
Total revenues	-	-	1,082,457	1,082,457
Expenditures:				
Capital outlay	-	1,066,713	1,066,713	-
Operation and maintenance of facilities	-	107,949	107,949	-
Total expenditures	-	1,174,662	1,174,662	-
Excess (deficiency) of revenues over expenditures	-	(1,174,662)	(92,205)	1,082,457
Other financing sources (uses):				
Transfers in	-	750,924	-	(750,924)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	750,924	-	(750,924)
Change in fund balances	-	(423,738)	(92,205)	331,533
Fund balance - beginning	-	423,738	423,738	-
Fund balance - ending	$ -	$ -	$ 331,533	$ 331,533

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS - BOND CONSTRUCTION FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget
	Original	Final	Accrual Basis	Favorable (Unfavorable)
Revenues:				
Other local sources	$ -	$ -	$ 5,509	$ 5,509
Total revenues	-	-	5,509	5,509
Expenditures:				
Capital outlay	400,000	503,323	503,323	-
Instruction	-	5,000	-	5,000
Operation and maintenance of facilities	-	375,563	3,304	372,259
Total expenditures	400,000	883,886	506,627	377,259
Excess (deficiency) of revenues over expenditures	(400,000)	(883,886)	(501,118)	382,768
Change in fund balances	(400,000)	(883,886)	(501,118)	382,768
Fund balance - beginning	400,000	883,886	883,886	-
Fund balance - ending	$ -	$ -	$ 382,768	$ 382,768

The notes to the supplementary information is an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2011

	Cash Balance 7/1/2010	Revenues Received	Expenditures Paid	Cash Balance 6/30/2011
High Schools:				
Brooke County High School	$ 232,297	$ 835,071	$ 890,148	$ 177,220
Total high schools	232,297	835,071	890,148	177,220
Middle and Junior High Schools:				
Follansbee Middle School	21,512	103,032	106,012	18,532
Wellsburg Middle School	32,127	116,639	118,893	29,873
Total middle and junior high schools	53,639	219,671	224,905	48,405
Elementary Schools:				
Beech Bottom Primary School	5,160	13,706	13,984	4,882
Colliers Primary School	10,380	15,730	15,451	10,659
Franklin Primary School	9,413	51,647	52,469	8,591
Hooverson Heights Primary School	3,991	28,087	24,804	7,274
Jefferson Primary School	11,965	38,047	36,485	13,527
L.B. Millsop Primary School	9,472	14,720	14,869	9,323
Wellsburg Primary School	7,997	31,890	30,280	9,607
Total elementary schools	58,378	193,827	188,342	63,863
Total	$ 344,314	$ 1,248,569	$ 1,303,395	$ 289,488

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following fund had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
Debt Service	$ (18,440)
Bond Construction	(501,118)
Permanent Improvement	(92,205)

Funds sufficient to provide for the excess expenditures were made available from other sources within each fund and the deficiency had no impact on the financial results of the Funds.

SINGLE AUDIT REPORTING PACKAGE

BROOKE COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2011

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Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the
Brooke County Board of Education
Wellsburg, West Virginia

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Brooke County Board of Education West Virginia (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements and have issued our report thereon, dated March 5, 2012 except for Note 18 as to which date is May 1, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Brooke County Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 11-01 and 11-02. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-03.

The Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 5, 2012

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Members of the
Brooke County Board of Education
Wellsburg, West Virginia

Compliance

We have audited the compliance of Brooke County Board of Education, West Virginia (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-04.

Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 5, 2012

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
U. S. Department of Agriculture			
Child Nutrition - Cluster :			
Pass-through West Virginia Department of Agriculture			
National School Lunch Program (Noncash - See Note 3)	88	10.555	$ 71,606
Pass-through West Virginia Department of Education			
School Breakfast Program	88	10.553	190,920
National School Lunch Program	88	10.555	444,489
Total Child Nutrition Cluster			707,015
Fresh Fruit and Vegetable Program	88	10.582	4,023
Total Pass-through West Virginia Department of Education			639,432
Total U. S. Department of Agriculture			711,038
U. S. Department of Education			
Pass-through West Virginia Department of Education			
Adult Education - Basic Grants to States	61	84.002	22,113
Title I Cluster:			
Title I Grants to Local Educational Agencies	41	84.010	620,630
Title I Grants to Local Educational Agencies, Recovery Act	41	84.389	168,411
Total Title I Cluster			789,041
Impact Aid School Construction, Recovery Act	25	84.041	1,364

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
U. S. Department of Education (Continued)			
Special Education Cluster:			
Special Education -			
Grants to States (IDEA, Part B)	43	84.027	$ 849,497
Grants to States (IDEA, Part B) Recovery Act	43	84.391	299,077
Preschool Grants (IDEA Preschool)	43	84.173	26,839
Preschool Grants (IDEA Preschool) Recovery Act	43	84.392	10,114
Total Special Education Cluster			1,185,527
Career and Technical Education - Basic Grants to States	50	84.048	57,404
English Language Acquisition Grants	45	84.365	93
Improving Teacher Quality State Grants	41	84.367	156,874
Education Technology State Grants, Recovery Act	58	84.386	4,866
Total Pass-through West Virginia Department of Education			2,217,282
Pass-through West Virginia Governor's Office			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	52	84.394	1,122,885
Total U. S. Department of Education			3,340,167
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 4,051,205

N.A. = Not Available

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

BROOKE COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Board and is presented on the basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements.

Note 2. Child Nutrition Program

Child Nutrition Program [CFDA #10.553 and #10.555] expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards has been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the two programs as funded from all sources was $707,015.

Note 3. Donated Food Value

Donated food distribution represents surplus agricultural commodities received from the U.S. Department of Agriculture passed through from the West Virginia Department of Agriculture. Commodities are valued based on amounts as established by the U.S. Department of Agriculture. For the year ended June 30, 2011, total value of the donated food inventories was $71,606, which is included in the Child Nutrition cluster of programs.

BROOKE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued :	Unqualified
Internal control over financial reporting :	
• Material weaknesses identified ?	No
• Significant deficiencies identified that are not considered to be material weaknesses ?	Yes
Noncompliance material to financial statements noted ?	Yes

Federal Awards

Internal control over major programs :	
• Material weaknesses identified ?	No
• Significant deficiencies identified that are not considered to be material weaknesses ?	No
Type of auditor's report issued on compliance for major programs :	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section §__510(a) of OMB Circular A-133 ?	No

Identification of major programs :

Name of Federal Program or Cluster	CFDA Numbers
Child Nutrition Cluster	10.553/10.555
Title I Cluster	84.010/84.389
Special Education Cluster	84.027/84.391/84.173/84.392
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Ac	84.394

Dollar threshold used to distinguish between type A and type B program :	$300,000
Auditee qualified as low-risk auditee ?	No

Section II - Financial Statement Findings

Expenditures
11-01

CONDITION:

We determined during our audit of the Brooke County Board of Education that several expenditures were not properly approved, supported, classified or recorded.

CONTEXT:

Specifically, we tested the following expenditures:

Of the 40 general expenditures sampled totaling $474,438 out of a total of $40,191,271, the following problems were noted:

- Four expenditures, or 10% of the sample size in which the expenditure was not properly coded.
- Thirty-eight expenditures, or 95%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.

Of the 60 Title I expenditures sampled, the following problems were noted:

- Three expenditures, or 5% of the sample size, in which the purchase was executed prior to a purchase order being issued.
- Sixty expenditures, or 100%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.
- Five expenditures, or 8%, in which the expenditure was not properly coded.

Of the 60 Child Nutrition expenditures sampled, the following problems were noted:

- Four expenditures, or 7% of the sample size, in which the purchase was executed prior to a purchase order being issued.
- Three expenditures, or 5%, in which the invoice amount exceeded the purchase order amount.
- Sixty expenditures, or 100%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.
- Five expenditures, or 8%, in which the expenditure was not properly coded.

Of the 60 Special Education expenditures sampled, the following problems were noted:

- Three expenditures, or 5% of the sample size, in which the purchase was executed prior to the purchase order being issued.
- Two expenditures, or 3%, in which the invoice amount exceeded the purchase order amount.
- Sixty expenditures, or 100%, in which the invoices were not properly cancelled in order to minimize the risk of duplication of payment.
- Three expenditures, or 5%, in which the expenditure was not properly coded.

Section II - Financial Statement Findings

Expenditures
11-01 (continued)

CRITERIA:

The *Purchasing Policies and Procedures Manual for Local Educational Agencies in the State of West Virginia*, states in part, that:

"2. Purchase Responsibilities.

2.2. According to W.Va. Code §18-9B-10, county boards of education shall:

2.2.1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;

"4. Requisitions and Purchase Orders.

4.1. LEAs are required to maintain a requisition and purchase order system on the West Virginia Education Information System (WVEIS) whereas an approved, pre-numbered purchase order is issued to the successful vendor **prior to an order** for a commodity or service is placed.

4.3. A copy of each approved purchase order must be retained on file. The file copy may be retained either on paper, or electronically if the original approval signatures are available for subsequent review.

Adequate control over budgets, expenditures and the financial records in general require that all expenditures are posted to the correct expenditure codes as directed by the West Virginia Department of Education in the Chart of Accounts. In addition, the accuracy of the financial records and compliance with §18-9B-10 depends on accurate posting of all financial transactions.

Adequate control over expenditures and encumbrances require that all payments be adequately supported with itemized invoices, authorized and verified before payment is made. Such supporting documentation should be "cancelled" to reduce the risk of duplicate payment. In addition, every effort should be made to pay from original invoices rather than copies. Evidence that these procedures are in place and being performed is a further element of the adequate safeguarding of assets.

Section II - Financial Statement Findings

Expenditures
11-01 (continued)

EFFECT:

The Brooke County Board of Education has increased the risk of making expenditures for goods not properly ordered or for goods that were not as requested. The Board also has increased the risk that expenditures may exceed the budget for a line item, expenditures not being properly coded, and duplicate payments being made.

RECOMMENDATION:

The Board should establish procedures to require:

- All purchase orders be issued prior to the purchase and receipt of the invoice.
- All purchases are made within the approved purchase order amount.
- All invoices be cancelled to reduce the risk duplicate payment.
- Each expenditure coded in accordance with the Board of Education's chart of accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Expenditures not properly coded: Updated chart of accounts will be given to the Directors and their secretaries.

Invoices not properly canceled in order to minimize duplication of payment: Secretaries will be given a paid stamp and will be instructed to stamp paid on invoices after they enter the invoice for payment.

Purchases were executed prior to a Purchase Order being issued: Directors and their secretaries will be given the section from the Handbook for School Finance describing the proper procedures to follow.

Invoice amount exceeded the Purchase Order amount: Secretaries will be instructed to request an updated price prior to issuing the Purchase Order.

Section II - Financial Statement Findings

Individual Schools
11-02

Wellsburg Middle School

CONDITION:

The Brooke County Board of Education did not have adequate internal control procedures to assure compliance at the individual school level for Wellsburg Middle School.

CONTEXT:

Specifically, we reviewed Wellsburg Middle School and the following problems were noted:

- Three checks were issued with only one signature.
- One ticket reconciliation form was not completed properly.
- Two profit and loss forms were completed but not signed by the preparer.
- One instance in which monies were deposited into the bank two (2) weeks after receipted.
- One expenditure in which travel was paid at the school level.
- One expenditure was paid from an invoice which was not properly itemized.

CRITERIA:

The *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education, states, in part, that:

- 1-13. Fund Raisers
  A profit and loss statement must be prepared and made available for public inspection for each fund raising activity conducted by a school that shows gross proceeds, cost of goods sold and net proceeds.

- 1-16. Bank Deposits

  To minimize the risk of loss or theft, it is recommended that bank deposits be made on a daily basis. A bank deposit must be made whenever total collections on hand exceed $500 or before any extended school holiday. **Bank deposits must be made at least weekly, regardless of the amount of collections.**

- 1-20. Disbursements

  Two signatures are required on every check issued by the school regardless of the fund from which issued. Both signatures cannot be the same individual

Section II - Financial Statement Findings

Individual Schools
11-02 (continued)

Wellsburg Middle School

- 1-21. Itemized Claim for Payment

  Schools are not permitted to expend any funds unless **an itemized claim (invoice) for payment is filed by the claimant.** If the claim is for services rendered, the invoice must identify the kind of service, the date performed, the person performing the service and the amount due. If the claim is for materials, equipment or supplies, the invoice must identify in detail the vendor, the items provided, the quantity, the date provided, to whom provided and the amount due.

- 4-6. Gate Receipts

  A ticket reconciliation report must be prepared for each event to reconcile tickets sold to cash collected. The report must show the following: beginning cash balance; **first and last numbers of each type of ticket sold (student, adult, other)**; total number of tickets sold by type; price of each type of ticket; total sales; ending cash balance; total cash in cash box; and differences, if any. In addition, total sales from tickets sold prior to the event must be shown.

CAUSE:

The Board does not have adequate controls to assure the proper accounting procedures are performed for each individual school and that all individual schools meet the requirements set forth by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education.

EFFECT:

These noncompliances increase the risk that errors and/or irregularities may occur at the individual school level.

Section II - Financial Statement Findings

Individual Schools
11-02 (continued)

Wellsburg Middle School

RECOMMENDATION:

The management of the Brooke County Board of Education and Wellsburg Middle School should take steps to ensure that office procedures are implements to require compliance with the *Accounting Procedures Manual for the Public Schools in the State of West Virginia.* Specifically, Chapters 1-13, 1-16, 1-20, 1-21 and 4-6.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Itemized claim (invoice) for payment is filed by the claimant:

The Principal and secretary will be given an Accounting Procedures Manual for the Public Schools and will be instructed to obtain a itemized invoice before the payment is made.

Ticket reconciliation report must show the first and last numbers of each type of gate tickets sold:

The Principal and secretary will be instructed to show the first and last numbers of each type of gate tickets sold.

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-03

CONDITION:

We determined during our audit of the Brooke County Board of Education that the Board incurred expenditures and/or obligations for certain items in excess of the amounts allocated for those items in the budget as last revised.

CONTEXT:

Specifically, expenditures and/or obligations in the following accounts for the General Current Expense Fund, Special Revenue Fund and Special Revenue Fund - ARRA were in excess of the approved budget amounts:

General Current Expense Fund

Appropriated Account	Budget	Total Charges Against Budget	Over-Expenditure
Capital Outlay	$0	$350,637	($350,637)

Special Revenue Fund - ARRA

Appropriated Account	Budget	Total Charges Against Budget	Over-Expenditure
Instruction	$1,539,485	$1,539,510	($25)
Student Transportation	$38,710	$39,706	($996)

CRITERIA:

The West Virginia State Code §18-9B-10 states:

"County boards of education shall :

1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;
2. Make transfers between items of appropriation only with the prior written approval of the board of finance."

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-03 (continued)

CAUSE:

The Brooke County Board of Education failed to maintain effective budgetary controls to prevent expenditures and/or obligations in excess of amounts allocated in the budget.

EFFECT:

This overexpenditure did not cause the total budget of the funds to be overexpended, however, overexpenditures can lead to serious financial difficulty for the Board, including, but not limited to, the inability to meet current obligations.

RECOMMENDATION:

It is recommended that the Brooke County Board of Education implement effective budgetary controls to ensure that actual expenditures and/or obligations do not exceed the amounts allocated for those expenditures in the official budget as approved by the West Virginia Department of Education.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The Board incurred expenditures and/or obligations for certain items in excess of the amounts allocated in the budget as last revised:

Prior to June 30th the Business Office will verify the expenditures do not exceed the budget.

Section III - Federal Award Findings and Questioned Costs

Special Tests and Provisions
11-04

GENERAL INFORMATION:

Grant Title: Title I Grants to Local Educational Agencies
Grant Title: Title I Grants to Local Educational Agencies, Recovery Act

Federal Award Number and Year or
Pass-Through Entity Identifying Number : 41

CFDA #: 84.010, #84.389

Federal Agency:
US Department of Education

Pass through Agency:
WV Department of Education

CONDITION:

We noted during our audit of the Brooke County Board of Education the Title I did not meet the Federal Requirements regarding highly qualified teachers.

CONTEXT:

Specifically, the West Virginia Department of Education Monitoring Report dated October of 2011 noted that the Title I program did not meet the requirements for highly qualified teachers. The report indicates that all teachers hired after the first day of school in 2002 are not highly qualified in Brooke County. Additionally, the report indicates, with regard to Title I that the state goal of 100% core classes being taught by highly qualified teachers is not being met in Brooke County.

CRITERIA:

As stated in the Review of NCLB (No Child Left Behind) Federal Requirements for LEA (Local Educational Agency) Compliance Commendations/Recommendations and/or Findings, dated May 10, 2007, as prepared by the West Virginia Department of Education, According to No Child Left Behind (NCLB) Title I state:

> "...the local education agency (LEA) must develop and implement a highly qualified plan that includes and annual increase in the percentage of highly qualified teachers to ensure all teachers teaching in core subjects are highly qualified not later than the end of the 2006-2007 school year."

Section III - Federal Award Findings and Questioned Costs

Special Tests and Provisions
11-04 (continued)

In accordance with Title I §1119(a)(1) states:

> "In General - Beginning with the first day of the first school year after the date of enactment of the No Child Left Behind Act of 2001, each local education agency receiving assistance under this part shall ensure that all teachers hired after such day and teaching in a program supported with funds under this part are highly qualified."

In accordance with Title I §2122(b)(10) states in part:

> "...the local educational agency will use funds under this subpart to meet the requirements of section §1119."

QUESTIONED COSTS:
Not determinable.

CAUSE:

The Board did not have procedures in place to meet the requirements for Special Tests and Provisions of the Title I federal program.

EFFECT:

As a result of this noncompliance, the Brooke County Board of Education did not meet the requirements for highly qualified teachers in the Title I program.

RECOMMENDATION:

The Brooke County Board of Education should have the appropriate central office staff continue implementation of the county's highly qualified plan to ensure that all newly hired teachers assigned to teach core academic subjects enter the system with highly qualified status. If the individuals placed in these positions are the most qualified applicants, the LEA should ensure the individuals pursue the proper certification.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:
Refer to the Board's corrective action plan.

BROOKE COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2011

Summary Schedule of Prior Year Financial Statement Findings

Finding #10-01
Finding Title: Pledged Collateral at Bank

Finding was corrected

Finding #10-02
Finding Title: Individual Schools

Finding was repeated, refer to current year finding #11-02

Summary Schedule of Prior Year Federal Award Findings

No Federal Findings Were Noted In The Prior Year.

Brooke County Schools

1201 Pleasant Avenue, Wellsburg, WV 26070 Phone (304) 737-3481 / Fax (304) 737-3480

BOARD OF EDUCATION:
James R. Piccirillo, President
Brian L. Ferguson, Vice-President
Frank A. Ujaich, Member
James F. Lazear, Member
Chad D. Haught, Member

"Build a Better Brooke"

Dr. Kathy Kidder-Wilkerson
Superintendent

Martin J. Bartz, Jr.
Assistant Superintendent

CORRECTIVE ACTION PLAN

Reference Number:	**11-04**
Audit Finding Title:	Special Tests and Provisions
Contact Person:	James R. Hervey
Anticipated Completion Date:	February 15, 2012

Correction Action planned to be taken:

A. Title I did not meet the Federal Requirement regarding highly qualified teachers:

The non-highly qualified Special Education teacher has a permit which allows him to teach while taking classes to become a highly qualified teacher. His target date to become highly qualified is June, 2012.

APPENDIX B

Economic and Demographic Data
Brooke County, West Virginia

Introduction

Location: Brooke County (the "County") is located in the Northern Panhandle of West Virginia. Driving distance from the County Seat is approximately 43 miles to Pittsburgh, PA, 139 miles to Cleveland, OH, 143 miles to Columbus, OH, and 179 miles to Charleston, WV.

County Seat: City of Wellsburg, West Virginia

The County: The County is governed by, and generally acts through, The County Commission of Brooke County. The Commissioners are elected on a countywide basis for 6-year terms staggered at two year intervals. The County has the power, pursuant to Article 1 of Chapter 7 of the Code of West Virginia of 1931, as amended, to create and establish the Commission.

Commissioners: Marty Bartz, Chairman
Tim Ennis, Commissioner
William Keplinger Jr., Commissioner

Population

Year	Brooke County	West Virginia	United States
2010	24,006	1,854,368	309,330,219
2009	24,153	1,847,775	306,771,529
2008	24,168	1,840,310	304,093,966
2007	24,235	1,834,052	301,231,207
2006	24,399	1,827,912	298,379,912

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Personal Income

County	Rank in State In 2010	2010	2006
United States	---	$38,846	$37,725
West Virginia	---	$32,042	$28,372
Brooke County	25	$29,619	$27,406

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Largest Employers in County (2012)

Employer
1. Weirton Medical Center
2. Severstal Wheeling Steel Corporation
3. Brooke County Board of Education
4. Ball Metal Food Container Corporation
5. Bethany College
6. Wheeling-Nisshin, Inc.
7. Eagle Manufacturing Company
8. Brightwood Property, Inc.
9. Brooke County Commission
10. Graphic Packaging International, Inc.

Source: WORKFORCE West Virginia

Average Annual Unemployment Rates (%)

Year	Brooke County	West Virginia	U.S.
2011	11.4	8.0	8.9
2010	13.1	8.5	9.6
2009	11.4	7.7	9.3
2008	5.6	4.2	5.8
2007	5.4	4.2	4.6

Source: WORKFORCE West Virginia; U.S. Department of Labor, Bureau of Labor Statistics

Average Annual Employment by Industry

Industry	2007	2008	2009	2010	2011
Construction	287	269	251	297	347
Manufacturing	2,138	2,118	1,920	1,960	2,010
Trade, Transportation & Utilities	933	873	851	834	827
Financial Activities	224	219	205	190	189
Professional & Business Services	363	330	262	167	155
Education & Health Services	2,183	2,189	2,124	2,048	2,046
Leisure and Hospitality	929	922	901	918	898
Other Services	200	194	203	202	202
Government	990	1,013	1,008	1,024	991
Totals	8,267	8,144	7,753	7,652	7,676

Source: WORKFORCE West Virginia

Wages Per Industry (2011) ($)

Industry	Total Wages	Average Weekly Wage
Construction	15,410,960	854.08
Manufacturing	111,290,487	1,064.77
Trade, Transportation & Utilities	24,018,672	558.52
Financial Activities	7,565,673	769.81
Professional & Business Services	4,945,411	613.58
Education & Health Services	72,193,026	678.56
Leisure and Hospitality	11,473,588	245.71
Other Services	2,838,891	270.27
Government	31,309,074	607.56
Totals	281,395,114	704.98

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Brooke County	West Virginia
2007	279,462,241	24,083,126,318
2008	288,518,317	25,534,204,980
2009	265,703,905	25,528,702,813
2010	268,831,609	26,100,976,332
2011	281,395,114	27,437,330,374

Source: WORKFORCE West Virginia

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

November 5, 2012

The Board of Education of the County of Brooke
Wellsburg, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Re: The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by The Board of Education of the County of Brooke (the "Issuer") of its $4,075,000 in aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), and a Resolution and Order duly adopted by the Issuer on August 13, 2012 (the "Resolution"), and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds are issued in fully registered form, are dated November 5, 2012, upon original issuance, represented by a single bond for each maturity, numbered R-1 to R-4, inclusive, with interest payable on each May 1 and November 1, commencing May 1, 2013, and principal installments payable each May 1, commencing May 1, 2013, and continuing until maturity thereof, being May 1, 2016.

The Resolution provides that the issue is for the purposes of providing funds, together with other moneys of the Issuer, to pay costs necessary to currently refund all of the Issuer's outstanding Public School Bonds, Series 2001, dated March 1, 2001 (the "Prior Bonds"), originally issued in the aggregate principal amount of $15,000,000, of which $5,170,000 is presently outstanding, and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Brooke County School District (the "District") at a special election held in the District on November 7, 2000, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated October 15, 2012, and accepted by the Issuer (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent (the "Escrow Agent"), contained in the Resolution and the Escrow Agreement dated November 5, 2012, by and between the Issuer and the Escrow

Agent (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer and the Verification Agent identified in the Official Statement dated October 15, 2012, pertaining to tax matters set forth in the Resolution and with respect to the Escrow Fund and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Resolution and enter into the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with its terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations that may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution, and the certificate relating to arbitrage. The Issuer has covenanted to comply with each such requirements. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 5 below, we express no opinion regarding other tax consequences arising with respect to the Bonds.

5. Under the Refunding Act, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it, together with any subordinate entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2012. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph 7, we have relied upon the verification report of certain independent certified public accountants relating to the sufficiency of the maturing principal of and interest to be earned on the funds or securities deposited in the Escrow Fund established with the Escrow Agent, which, together with any other moneys on deposit in said Escrow Fund, will provide for the payment of the principal of and interest on such Prior Bonds through the maturity date thereof.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Resolution and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Respectfully submitted

GOODWIN & GOODWIN, LLP

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Re marketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX E

ELECTED OFFICIALS OF THE BOARD

Mr. James R. Piccirillo, President

Board of Education President James R. Piccirillo is a graduate of Follansbee St. Anthony's High School, West Liberty State College, and the University of Dayton, Ohio. He holds a Master's Degree in Education Administration and is a veteran of the United States Army. He served 37 years in education leadership and in 1998 was selected by the Fulbright Memorial Education Foundation as one of 200 American Educators for a 21-day study of the educational system in Japan. During his career, Mr. Piccirillo served as teacher at Cove Elementary School and as a principal in the Hancock County school system both at New Cumberland Elementary School and Weirton Heights Elementary School. In 2001 he became Principal at Burgettstown Area Elementary Center in Burgettstown Pennsylvania where he served for 8 years until retirement. During that time period he implemented a two million dollar Reading First Grant and his school was selected to present at the National Reading First Conference in Washington, D.C. He was recognized with an article in the Pennsylvania Administrators Journal on "Mentoring Principals." During this past year Mr. Piccirillo was chosen by the West Virginia School Board Association to serve on their select committee to develop high quality standards for school systems. He has been involved in many community activities, such as the Follansbee Water Board, a Life Member of the West Virginia PTA, and co-director of the Follansbee Youth Basketball league for 22 years. His wife Janet is a retired teacher at Brooke High School. His son Steven is a 1992 graduate of Brooke High and 1996 graduate of Princeton University. Steven and his wife are both attorneys in Houston, Texas and recently adopted 3 children.

Mr. Brian L. Ferguson, Vice-President

Brian L. Ferguson is the Vice-President of Brooke County Board of Education and is a graduate of Brooke High School. He attended Jefferson Technical College and the International Brotherhood of Electrical Workers Apprenticeship School for four years. He is a 30 year member of IBEW Local 246. He has completed leadership training classes in the electrical and business industry, has attended the National Training Institute for committee members, and OSHA. He is secretary of the Steubenville Electrical Joint Apprentice Training Committee and has served on the Executive Board. Brian is a former Brooke High School Football Booster President, the recipient of three grants for the football program via the WV Governor's Digest Fund, as coached youth football for 20 years coached baseball for five years, and youth basketball for four years. He is a member of the Brooke County Athletic Complex Committee. Brian was instrumental in establishing a budget for the Brooke Wellness Center and in the coordination and completion of the new turf field at BHS. One goal of Brian's is to work collaboratively with the SBA to build a state of the art *green school* in Brooke County. He is married to Nancy Bartz, a teacher's aide at BHS, and is the father of two sons. Drew is a second year apprentice with IBEW Local #246 and Kyler, a WVU graduate, is a Deputy Sheriff in Brooke County.

Mr. Chad D. Haught

Chad D. Haught graduated from Brooke High School in the year 2000 where he earned academic awards and was selected First-Team Allstate in football, Honorable Mention in baseball, and participated in the annual OVAC All-Star football game. In May 2004, Mr. Haught graduated from Washington & Jefferson College, a liberal arts school, where he earned a Bachelor of Arts Degree in Accounting from the W&J Department of Economics. Mr. Haught was a recipient of the Presidential Scholarship awarded to students with outstanding academic performance, achievement, and citizenship. While at Washington & Jefferson College, Mr. Haught worked full time at First Data Corporation. In May 2007, Mr. Haught earned his Juris Doctorate Degree from the West Virginia University College of Law. While attending the West Virginia University College of Law, Mr. Haught worked for the law firm of Frankovitch, Anetakis, Colantonio & Simon. In October 2007, Mr. Haught was admitted into the West Virginia State Bar to practice law. Mr. Haught is licensed and a member in good standing of both the state and federal courts of West Virginia. From August 2007 to August 2009, Mr. Haught was employed by the West Virginia Supreme Court of Appeals to serve as the First Judicial Circuit Court Law

Clerk for the Honorable Judge Martin J. Gaughan, who presided over Brooke, Hancock, and Ohio Counties. In August 2009, Mr. Haught joined the law firm of Jividen Law Offices, PLLC where he continues to work as an associate attorney. On November 2, 2010, Mr. Haught was elected by the citizens of Brooke County to serve on the Brooke County Board of Education.

James F. Lazear

James F. Lazear is a 1989 graduate of West Liberty State College with a BS degree in Business Administration and Management. Jim's work experience has included: Production Supervisor for Wheeling Corrugating, City Manager for Cendant Car Rental Group, City Manager for Avis Rent-A-Car, Quality Assurance Analyst for Avis Rent-A-Car, Airport Operations Manager/Station Manager for Avis Rent-A-Car, Customer Service Manager for Hydro Lawn, LLC and Branch Manager for Enterprise Leasing Company. Jim has successful experience in managerial work, employee training, collective bargaining, supervising inventory, quality assurance, interviewing/hiring, logistics, forecasting and budgeting.

Frank A. Ujcich

Frank A. Ujcich graduated from Wellsburg High School in 1961. Mr. Ujcich attended West Liberty State College and graduated in 1966 with a BS in math, health and PE education. He received his Master Degree in Vocational/Technical Education from Marshall University in 1987 and a second Masters in Administration from WVU in 1989. After teaching fifteen years for the Brooke County Board of Education, he served as the county's vocational director for ten years until he retired June 30, 2006. He has been a member of Brooke County Board of Education since July 1, 2006.

APPOINTED OFFICIALS OF THE BOARD

Dr. Kathy Kidder-Wilkerson, Superintendent

Kathy Kidder-Wilkerson, Ed.D., Superintendent, is a twenty-six year employee of Brooke County Schools. She received an AD in Nursing from West Virginia Northern Community College, a BS in Biology Education from West Liberty State College, a MS in Vocational Education from Marshall University and a doctorate in Educational Leadership from West Virginia University. Dr. Kidder is a former science teacher and assistant principal at Brooke High School. She served the Board as Director of Career Technical Education, Director of Student Services and Assistant Superintendent before becoming Superintendent in 2010.

Martin James Bartz, Jr., Assistant Superintendent

Martin James Bartz, Jr. is the Assistant Superintendent for the Brooke County Board of Education and is a thirty-six year employee of Brooke County Schools. He is a 1970 graduate of Brooke High School and has received an AB in Psychology/Sociology and an AB in Elementary Education/Social Studies from West Liberty State College, a MA in Communications from West Virginia University and a MA in Educational Leadership from Marshall University. During his employment with the Brooke County Board of Education, Mr. Bartz has served in many capacities, including as a classroom teacher, as Assistant Principal at Follansbee Middle School and as Director of Facilities, Maintenance and Technology, and has been Assistant Superintendent since 2010.

James R. Hervey

James R. Hervey is the Business Manager/Treasurer of Brooke County Board of Education since March, 1989. He graduated from Brooke High School in 1973. Mr. Hervey was self-employed while attending West Liberty State College, and he graduated in 1985. He passed the Certified Public Accountant examination in 1986. Since being employed by the Brooke County Board of Education, he has been involved with the successful passing of four excess levies and a bond issue, and this is his second participation in a bond refunding.

APPENDIX F

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated as of November 5, 2012 is by and between the Board of Education of the County of Brooke (the "Board") and WesBanco Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution adopted by the Board on August 13, 2012, authorizing issuance of the Bonds (the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds in Appendix A entitled "Audit Report of Brooke County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the Board's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants or the West Virginia Auditor's Office.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated October 15, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Bonds from the Board upon the terms set forth therein.

"Bonds" shall mean the $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012.

"Disclosure Agent" shall initially mean WesBanco Bank, Inc. and any later appointed Disclosure Agent or any successor Disclosure Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

"Disclosure Representative" shall mean the Treasurer of the Board.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean the original underwriter of the Bonds which is required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each National Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Board shall, or shall cause the Disclosure Agent to, not later than 270 days after the end of the Board's fiscal years (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2012 (FY 2011), provide to each Repository by filing the same with EMMA or in such other manner as may be required from time to time by the Rule: Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. The Board shall provide the Disclosure Agent with a copy of each report filed under this Agreement. If the Board's fiscal year changes, the Board shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than ten (10) Business Days prior to said date, the Board shall provide the Annual Financial Information and Audited Financial Statements to the Disclosure Agent. If the Board is unable to provide to the Repositories the Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Board shall, or shall cause the Disclosure Agent to, send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Disclosure Agent shall file a report with the Board certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to this Agreement and the date provided.

(d) All documents provided to EMMA shall be provided in a searchable, electronic format and shall be accompanied by identifying information as prescribed by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. Within two hundred seventy (270) days of the Board's fiscal year ends, the Board or Disclosure Agent on its behalf shall submit to EMMA the Annual Financial Information and Audited Financial Statements of the Board for the prior fiscal year. If the Audited Financial Statements are not then available, the Board or the Disclosure Agent shall submit the unaudited financial statements of the Board for such fiscal year and shall submit the Audited Financial Statements as soon as they become available.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Board or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Board shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the Board[2];

13. the consummation of a merger, consolidation or acquisition involving the Board, or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

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[2] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

(c) Whenever the Board obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Disclosure Agent pursuant to subsection (b) or otherwise, the Board shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Disclosure Agent within two (2) business days.

(d) If the Board determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the Board received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the Board shall promptly file with the Disclosure Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the Board determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the Board shall so notify the Disclosure Agent in writing and instruct the Disclosure Agent not to report the occurrence pursuant to subsection (f).

(f) If the Disclosure Agent has been instructed by the Board to report the occurrence of a Listed Event, the Disclosure Agent shall file a notice of such occurrence with EMMA with a copy to the Board. The Disclosure Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Disclosure Agent. WesBanco Bank, Inc. is hereby appointed as Disclosure Agent. The Board may, from time to time, appoint or engage an alternate or successor Disclosure Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Disclosure Agent. The Disclosure Agent shall not be responsible in any manner for the content of any notice or report prepared by the Board pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the Board and the Disclosure Agent may amend this Agreement, and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Board shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in

the case of a change of accounting principles, on the presentation) of financial information or operating data being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the Board chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Bonds or pursuant to the Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

SECTION 11. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the Board:	The Board of Education of the County of Brooke 1201 Pleasant Avenue Wellsburg, West Virginia 26070
To the Disclosure Agent:	WesBanco Bank, Inc. ATTN: Corporate Trust 1 Bank Plaza Wheeling, WV 26003

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Fees. The Board agrees to pay all fees and expenses of the Disclosure Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Disclosure Agent's duties.

SECTION 15. Right to Resign. The Disclosure Agent may resign at any time by providing thirty (30) days' written notice to the Board.

SECTION 16. Right to Counsel. The Disclosure Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Board and the Disclosure Agent have caused this Agreement to be executed by its duly authorized representatives, all as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: _____
Name:
Title: President

WESBANCO BANK, INC., as Disclosure Agent

By: _____
Name:
Title:

Date: November 5, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the County of Brooke (the "Board")
Name of Bond Issue:	$4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012
Dated as of Bond Issue:	November 5, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3(b) of that certain Continuing Disclosure Agreement dated as of November 5, 2012, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____, 20__.

Dated: _____, 20___.

WesBanco Bank, Inc., as Disclosure Agent
on behalf of the Board

cc: Board

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (WEST VIRGINIA) • PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

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$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Piper Jaffray & Co. (the "Underwriter") that he is the duly appointed and acting President of the Brooke County Board of Education (the "Board") authorized to execute and deliver this Certificate and further certifies on behalf of the Board to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the Board's Public School Refunding Bonds, Series 2012 (the "Bonds").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated October 8, 2012, setting forth information concerning the Bonds and the issuer of the Bonds (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, rating, the identity of the Underwriter and other terms of the Bonds, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final bond purchase agreement, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Board shall promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 5th day of November, 2012.

James R. Piccirillo, President

STANDARD & POOR'S
RATINGS SERVICES

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2066
reference no.: 1229880

September 13, 2012

Brooke County Board of Education
1201 Pleasant Avenue
Wellsburg, WV 26070
Attention: Mr. Jim Hervey, Business Manager

Re: ***US$4,525,000 The Board of Education of the County of Brooke (West Virginia), Public School Refunding Bonds, Series 2012***

Dear Mr. Hervey:

Pursuant to your request for a Standard & Poor's rating on the above-referenced issuer, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions,* have assigned a rating of "AA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would

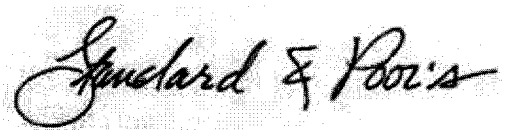
facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com.Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,



Standard & Poor's Ratings Services
a Standard & Poor's Financial Services LLC business.

jg
enclosures
cc: Ms. Marie Prezioso
Mr. William K. Bragg

STANDARD
& POOR'S
RATINGS SERVICES

Standard & Poor's Ratings Services
Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

General. The ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. A rating is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors

to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services

may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third–Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

STANDARD
& POOR'S
RATINGS SERVICES

RatingsDirect®

Summary:

Brooke County Board of Education, West Virginia; School State Program

Primary Credit Analyst:
Hilary A Sutton, New York (1) 212-438-7093; hilary_sutton@standardandpoors.com

Secondary Contact:
Danielle L Leonardis, New York (1) 212-438-2053; danielle_leonardis@standardandpoors.com

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Rationale

Outlook

Related Criteria And Research

Summary:

Brooke County Board of Education, West Virginia; School State Program

Credit Profile		
US$4.525 mil pub sch rfdg bnds ser 2012 due 05/01/2013-2016		
Long Term Rating	AA/Stable	New

Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating to Brooke County Board of Education, W. Va.'s series 2012 public school refunding bonds. At the same time, Standard & Poor's affirmed its 'AA' long-term and underlying ratings (SPUR) on the board's parity debt.

The rating reflects our view of the board's eligibility and participation in West Virginia's Municipal Bond Program. The rating also reflects our assessment of the state's strong debt service oversight and the legislature's replenishment provision for the bond commission's sinking fund. Under the program, West Virginia annually appropriates sufficient funds to meet any shortfall in an issuer's debt service payment to bondholders.

Standing appropriation programs

Standard & Poor's rates four different types of state programs, in more than 20 states, that provide enhancement for school bond issues. These program types include state guarantee, permanent fund, standing or annual appropriation, and state intercept or withholding programs. We analyze each state program according to the program type and we base the rating on the characteristics of the particular program and funding mechanisms. West Virginia is one of five states with Standard & Poor's-rated standing appropriation programs, along with California, Minnesota, New Jersey, and Texas. Because appropriation programs are dependent on the ability of a state to use its cash reserves to make up any debt service deficiencies, a program rating is directly linked to the state's own credit quality. Therefore, the program rating will move in tandem with its related state rating, keeping the relative rating differential between the program rating and the state rating constant. The outlook on the program will always reflect our outlook on the state.

West Virginia's municipal bond program

As authorized by Chapter 13, Article 3, of the West Virginia Code, the state's bond commission serves as the bond trust agent, administering the general obligation (GO) debt sinking funds for the state's school districts and municipalities. Also, the commission has debt service levy oversight. All funds collected to meet debt service on a municipality's GO bonds are turned over to the commission for payment of debt service.

In addition to this statutory provision, the commission's administrative guidelines include notifying the local government unit 35 days before a debt service payment, if available funds are insufficient for debt service. If sufficient funds are not on hand 15 days before the debt service payment, the entity is contacted again. Whenever the amount deposited for any issuer is not sufficient to meet the interest or principal due, it shall be the duty of the school district's

treasurer, upon being notified of that fact by the commission, to immediately remit all funds in his possession that have been earmarked by the issuer for the purpose of amortizing bonded indebtedness plus such additional funds as are necessary to meet the interest or principal due. Since 1921, the state legislature has made an annual blanket appropriation in the budget authorizing the governor to meet any deficiency in the state sinking fund because of a school district or governmental unit's failure to meet its debt service obligations.

Brooke County Board of Education

The school district is coterminous with Brooke County, which is in the northern panhandle of the state. We understand bond proceeds will be used to refund the board's series 2001 public school bonds. Enrollment has declined each year from 3,481 in 2007, to 3,304 for the 2011 school year.

Outlook

The stable outlook reflects the rating outlook on the state's GO bonds.

Related Criteria And Research

USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008

Ratings Detail (As Of September 13, 2012)		
Brooke Cnty Brd of Ed GO		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

The Board of Education of the County of Brooke (West Virginia)
(Name of Issuer and Co-Issuer(s), if applicable)

November 1, 2012
(Date)

The Depository Trust Company
55 Water Street, 1SL
New York, NY 10041-0099
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

[incorporated in] [formed under the laws of] State of West Virginia.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

The Board of Education of the County of Brooke (West Virginia)
(Issuer)

By: James R. Piccirillo
(Authorized Officer's Signature)

James R. Piccirillo
(Print Name)

1201 Pleasant Avenue
(Street Address)

Wellsburg, West Virginia USA 26070
(City) (State) (Country) (Zip Code)

(304) 737-3481
(Phone Number)

(E-mail Address)

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By: Jeanne Mauro

DTCC.

The Depository Trust & Clearing Corporation

BLOR 08/10/11

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November 5, 2012

The Board of Education of the County of Brooke
Wellsburg, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Re: The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by The Board of Education of the County of Brooke (the "Issuer") of its $4,075,000 in aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), and a Resolution and Order duly adopted by the Issuer on August 13, 2012 (the "Resolution"), and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds are issued in fully registered form, are dated November 5, 2012, upon original issuance, represented by a single bond for each maturity, numbered R-1 to R-4, inclusive, with interest payable on each May 1 and November 1, commencing May 1, 2013, and principal installments payable each May 1, commencing May 1, 2013, and continuing until maturity thereof, being May 1, 2016.

The Resolution provides that the issue is for the purposes of providing funds, together with other moneys of the Issuer, to pay costs necessary to currently refund all of the Issuer's outstanding Public School Bonds, Series 2001, dated March 1, 2001 (the "Prior Bonds"), originally issued in the aggregate principal amount of $15,000,000, of which $5,170,000 is presently outstanding, and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Brooke County School District (the "District") at a special election held in the District on November 7, 2000, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated October 15, 2012, and accepted by the Issuer (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent (the "Escrow Agent"), contained in the Resolution and the Escrow Agreement dated November 5, 2012, by and between the Issuer and the Escrow Agent (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer and the Verification Agent identified in the Official Statement dated October 15, 2012, pertaining to tax matters set forth in the Resolution and with respect to the Escrow Fund and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Resolution and enter into the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with its terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations that may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution, and the certificate relating to arbitrage. The Issuer has covenanted to comply with each such requirements. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 5 below, we express no opinion regarding other tax consequences arising with respect to the Bonds.

5. Under the Refunding Act, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it, together with any subordinate entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2012. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph 7, we have relied upon the verification report of certain independent certified public accountants relating to the sufficiency of the maturing principal of and interest to be earned on the funds or securities deposited in the Escrow Fund established with the Escrow Agent, which, together with any other moneys on deposit in said Escrow Fund, will provide for the payment of the principal of and interest on such Prior Bonds through the maturity date thereof.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Resolution and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Respectfully submitted

Goodwin & Goodwin LLP

GOODWIN & GOODWIN, LLP

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Goodwin & Goodwin, LLP
300 Summers Street
Suite 1500
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November 5, 2012

Brooke County Board of Education
1201 Pleasant Avenue
Wellsburg, West Virginia 26070

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301

Re: $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale of the above-referenced bonds (the "Bonds") by The Board of Education of the County of Brooke, West Virginia (the "Issuer"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality and tax-exempt status of the Bonds (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement, the Escrow Agreement and such other documents and matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings ascribed thereto in the Bond Purchase Agreement (the "Purchase Agreement") dated October 15, 2012, between the Issuer and Piper Jaffray & Co. (the "Underwriter"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

Based upon the foregoing, we are of opinion that:

(1) The Purchase Agreement has been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other party thereto, is a legal, valid, binding and enforceable obligation of the Issuer (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' rights generally and to the exercise of judicial discretion).

(2) The Issuer, under the Act, has full power and authority to adopt the Resolution, enter into the Escrow Agreement and the Purchase Agreement and perform its obligations thereunder.

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(3) The Issuer has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, executed and delivered by the Issuer, and the Issuer has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the sale of the Bonds.

(4) The statements and information contained in the Official Statement under the captions or subcaptions "Introduction," "The Bonds," "Tax Matters," "Legal Matters," "Ratings," and "Appendix C" do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(6) Based on the foregoing, we are of the opinion that the Prior Bonds have been legally defeased and the covenants, agreements and other obligations of the Issuer to the holders of the Prior Bonds have been discharged and satisfied, and that such refunding will not adversely affect the excludability of the interest on the Prior Bonds or the Bonds from gross income for federal income taxation.

Respectfully submitted,

Goodwin & Goodwin, LLP

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November 5, 2012

The Board of Education of the County of Brooke
Wellsburg, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Re: The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

The Series 2012 Bonds maturing on May 1, 2013 through May 1, 2016, each inclusive (collectively, "the Premium Bonds"), will be sold with an original issue premium ("OIP"). The OIP will be equal to the excess of a holder's tax basis in the Premium Bonds over the amount payable at maturity, or in the case of Premium Bonds subject to redemption, the amount payable on the redemption date. Under current law, the OIP for Premium Bonds must be amortized on an annual basis by the holder thereof. The amount of OIP amortized each year will not be deductible for federal income tax purposes. Further, Section 1016 of the internal Revenue Code of 1986, as amended, requires that the amount of annual amortization for the Premium Bonds be deducted from the holder's tax basis in such Premium Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the Premium Bonds are sold or redeemed. Holders of Premium Bonds should consult their tax advisors with respect to the determination and treatment of amortizable OIP for federal income tax purposes, and with respect to the state and local tax consequences of owning such Premium Bonds.

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

OFFICE OF PROSECUTING ATTORNEY

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November 5, 2012

Brooke County Board of Education
1201 Pleasant Avenue
Wellsburg, West Virginia 26070

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301

Re: $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

I have served as counsel to The Board of Education of the County of Brooke, West Virginia (the "Issuer") in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of October 15, 2012 (the "Purchase Agreement"), between Piper Jaffray & Co. (the "Underwriter") and the Issuer. Any capitalized terms used herein and not defined shall have the meaning ascribed thereto in the Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Resolution and Order adopted by the Issuer, dated August 13, 2012 (the "Resolution"), the Escrow Agreement, dated November 5, 2012 (the "Escrow Agreement"), by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), the Continuing Disclosure Agreement, dated November 5, 2012 (the "Continuing Disclosure Agreement"), by and between the Issuer and WesBanco Bank, Inc., as disclosure agent, the Purchase Agreement, the Preliminary Official Statement dated October 8, 2012

and the Final Official Statement dated October 15, 2012, with respect to the issuance and offering of the Bonds (collectively, the "Official Statement") and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. The Issuer is a validly existing statutory corporation charged with the supervision and control of the Brooke County School District, which is a validly existing political subdivision of the State of West Virginia, and is authorized by the Refunding Act to issue and sell the Bonds. The Issuer is authorized by the laws of the State of West Virginia, as provided by the Refunding Act, to enter into and perform its obligations under the Resolution, the Escrow Agreement, the Continuing Disclosure Agreement, the Purchase Agreement and other documents executed and delivered by the Issuer in connection therewith with respect to the issuance of the Bonds (the "Issuer Documents").

2. The Issuer has full power and authority to consummate all transactions contemplated by the Bonds and the Issuer Documents to which the Issuer is a party.

3. The Issuer has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Escrow Agreement, the Purchase Agreement and other Issuer Documents; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the Issuer and the issuance and delivery of the Bonds upon the terms set forth in the Resolution; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

4. The Escrow Agreement, the Purchase Agreement and other Issuer Documents have been duly and validly authorized, executed and delivered by the Issuer and the same are in full force and effect as of the date hereof and are valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and to the exercise of judicial discretion.

5. The Resolution authorizing issuance of the Bonds has been duly adopted and entered at meetings of the Issuer which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of such adoption.

6. The execution and delivery of the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents by the Issuer and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes organizing and governing the Issuer or, to the best of our knowledge based solely upon representations of the Issuer, any agreement or other instrument to which the Issuer is a party or by which it or its properties are bound.

7. All actions necessary to be taken by the Issuer have been taken, and no additional approval, authorization, consent or other order of the Issuer or any public board or body is legally required to allow the Issuer to enter into and perform its obligations under the Escrow Agreement, the Purchase Agreement or remaining Issuer Documents or as described in the Official Statement.

8. To the best of our knowledge there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Issuer is a party or of which any property of the Issuer is subject, except as described in the Official Statement, which, if determined adversely to the Issuer, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Bonds, the Escrow Agreement or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Issuer to comply with its obligations under the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents or (iii) materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the Issuer.

9. Based upon my experience as counsel to the Issuer and on my review of the Official Statement, and after inquiry and discussions with representatives of the Issuer, but without having undertaken to verify the same through independent investigation, nothing has come to our attention which would lead us to believe that the statements and information contained in the Official Statement under the captions or subcaptions "Brooke County School District," "Litigation in the State Concerning the School Financing System," "Litigation," "Legal Matters," "Appendix B" and "Appendix E" contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, it being understood, that in rendering such opinion we express no opinion regarding financial, accounting, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis or any information relating to The Depository Trust Company and the book entry only system contained in the Official Statement and its Appendices included therein, which we expressly exclude from the scope of this paragraph.

This opinion may be relied upon by all counsel to this transaction as if specifically addressed to them.

I hereby consent to the references made to me in the Official Statement.

Very truly yours,

David F. Cross

David F. Cross, Esq.,
Assistant Prosecuting Attorney

SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

November 5, 2012

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

Re: $4,075,000 The Board of Education of the County of Brooke (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co. (the "Underwriter"), in connection with your purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated October 15, 2012 (the "Purchase Agreement") between The Board of Education of the County of Brooke, West Virginia (the "Issuer") and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

In connection with rendering this opinion, we have examined the Official Statement dated October 15, 2012, the Purchase Agreement and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule").

Based upon the foregoing review, we are of the opinion that the Purchase Agreement has been validly authorized, executed and delivered by the Underwriter and, assuming due authorization, execution and delivery by the Issuer, constitutes a valid and binding agreement, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the respective parties, the exercise of judicial discretion or the availability of equitable remedies.

It is also our opinion that the Continuing Disclosure Agreement, which provides for an undertaking for the benefit of the holders, including beneficial holders, of the Bonds to provide certain annual financial information and event notices to repositories at the times and in the manner required by the Rule, satisfies as to form in all material respects the requirements of subparagraph (b)(5) of the Rule in effect as of the date hereof and applicable to Continuing Disclosure Agreements.

In addition, we are of the opinion under existing law that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, to assist you in your investigation concerning the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to the attention of attorneys in our firm rendering legal services in connection with such issuance that cause us to believe that the Official Statement (except for any financial, accounting, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis or any information relating to The Depository Trust Company and the book entry only system contained in the Official Statement and its Appendices included therein, which we expressly exclude from the scope of this sentence) contains as of the date hereof any untrue statements of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Bonds.

Very truly yours,

Spilman Thomas & Battle, PLLC

Spilman Thomas & Battle, PLLC

Trimble & Associates
13004 Walton Bluff Ct.
Midlothian, VA 23114-3182

Phone 804.897.1607
Fax 804.897.1607
WV Vendor Reg. #825135657

Email ckcconsult@msn.com
Cell 804.240.4425

October 16, 2012

Mr. James R. Hervey
Treasurer/Chief School Business Official
Brooke County Schools
1201 Pleasant Avenue
Wellsburg, WV 26070

Re: $15,000,000 The Board of Education of the County of Brooke (West Virginia) Public School Bonds, Series 2001

Dear Mr. Hervey:

We have completed our arbitrage rebate calculations for your outstanding bond issue named above for the period ended October 1, 2012, to determine whether any arbitrage rebate liability is due the United States Treasury under Section 148 (f) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations thereunder.

The Bonds were sold and delivered on March 27, 2001 to the First Union National Bank for a purchase price of $15,000,000, plus accrued interest in the amount of $48,372.64 and a premium in the amount of $30,970.45. The proceeds of the Bonds are being used to finance certain school projects and to pay issuance costs.

The bond proceeds were initially deposited into a demand deposit account with Wesbanco ("Sweep Account"). Proceeds were swept into the Issuer's checking account to pay project costs as needed. In April, 2001, $10,000,000 of the bond proceeds was used to purchase a certificate of deposit at Wesbanco. In April, 2002, $1,000,000 from the certificate of deposit was transferred back into the sweep account to pay project costs. On October 16, 2002, the remaining $9,000,000 was transferred into a new "Prime" money market account and transferred to the sweep account as needed.

The moneys deposited into the various accounts were to be expended solely for payment of costs of the Project and bond issuance costs.

A Debt Service Account for the Bonds was also established with the West Virginia Municipal Bond Commission ("the Commission"). Also, a surplus collections account for the Bonds was established at the Commission. Tax levy receipts and earnings thereon are used to pay debt service on the Bonds in the event that tax levies are insufficient to do so. All moneys in the Surplus Collections Account are to be invested at a yield not to exceed the yield on the Bonds.

According to the documents received from the Municipal Bond Commission, $48,372.64 was used to establish the Debt Service Fund at the Commission. This amount was paid out with the first bond interest payment on November 1, 2001 to the Depository Trust Company who holds the bonds in "street name".

According the IRS Form 8038-G for your issue, the bond yield is 4.557340%. The investment yield on the invested proceeds at October 1, 2012 is 2.24141890%.

If any bond proceeds are unspent *and* the investment yield exceeds the bond yield by more than one eighth percent (.125) over the first three years after issuance, the dollar amount representing the difference between the two yields must be paid to the United States Treasury in the form of a Yield Reduction Payment. This is not the same as arbitrage rebate. We have calculated the investment yield at the end of the three year period and are of the opinion the investment yield was less than the bond yield, therefore, the issue was not subject to the yield restriction regulations.

In our opinion, the enclosed calculations are mathematically correct in the determination of the cumulative arbitrage rebate liability for all investments subject to the rebate requirements of the Code. Assuming the accuracy of the financial summaries and other relevant information submitted to us by the Issuer and the Commission, it is our opinion that there is no arbitrage rebate liability as of October 1, 2012. As such, there are no reporting requirements to the United States Treasury.

Sincerely,

D. Wayne Trimble
President

DWT/sbj
W/attachment

"All Children Can Learn"

Brooke County Board of Education
Regular Session
MINUTES
Monday, August 13, 2012 – 5:00 p.m.

"Build a Better Brooke"

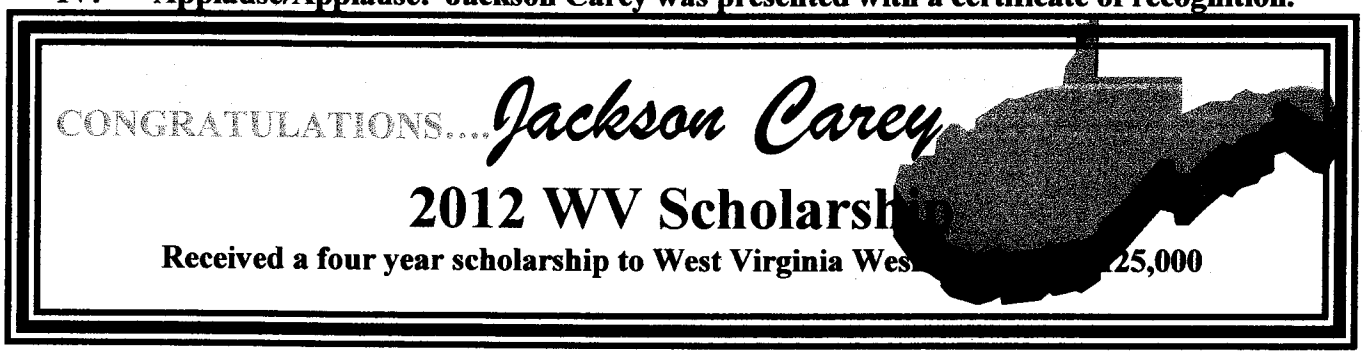
I. The meeting was called to order by Mr. Piccirillo, Board President.

Members Present :
Mr. Brian L. Ferguson, Vice-President
Mr. Frank Ujcich
Mr. James F. Lazear
Mr. Chad D. Haught
*Dr. Kathy Kidder-Wilkerson Secretary / Superintendent

II. *Pledge of Allegiance* was led by Mr. Piccirillo, Board President.

III. **Approval of Minutes:** On motion of Mr. Lazear, seconded by Mr. Ferguson, the Board approved minutes from the Regular Session on July 23, 2012. Motion carried unanimously. On motion of Mr. Ferguson, seconded by Mr. Lazear, the Board approved minutes from the Work Session on July 25, 2012. Motion carried unanimously.

IV. **Applause/Applause: Jackson Carey was presented with a certificate of recognition.**



V. **Delegations:** none at this meeting

VI. **Unfinished Business: Tabled at the regular session on July 11, 2012...**

On motion of Mr. Ujcich, seconded by Mr. Lazear, the Board voted to approve a tabled request by Amy Colantoni, Bethany College, for use of Brooke County School buses on September 15, 2012 to Cedar Point and again on October 20, 2012, for a trip to the Penitentiary in Moundsville, WV. Motion carried unanimously. (Refer to item "D" under *New Business*)

On motion of Mr. Ujcich, seconded by Mr. Ferguson, the Board approved a tabled request by Ron Ujcich, past Director of Transportation, until the new Transportation Director was appointed, Mr. Staffileno, for an additional $40,000.00 for the purchase of two new or used SUV type vehicles with one to be used for travel purposes by directors, principals and teachers as needed and the other assigned to Dr. Kathy Kidder, Superintendent. Motion carried unanimously.

On motion of Mr. Ujcich, seconded by Mr. Ferguson, the Board approved the tabled request by Ron Ujcich, past Director of Transportation, for an additional $40,000.00 for the purchase of two new or used SUV type vehicles with one to be used for travel purposes by directors, principals and teachers as needed and the other assigned to Dr. Kathy Kidder, Superintendent. Motion carried unanimously.

VII. There were no consent/correspondence items at this time.

VIII. New Business:

A. On motion of Mr. Ferguson, seconded by Mr. Lazear, the Board, upon the Superintendent's recommendation, agreed to employ personnel hired under posting #A-698. Motion carried unanimously.

Posting #A-698 -Service Personnel- Substitute Teacher-Brooke County:

Susan Bertelli	Amy Ludewig
Francesca Biondillo	Laura Michael
Thomas Faessel	Amanda Schey
Allisha Fuscardo	Johnny Schupbach
Kerissa Harr	Nicole Seckman
Ronald Javorsky	Gina Waggoner

On motion of Mr. Lazear, seconded by Mr. Ferguson, the Board, upon the Superintendent's recommendation, agreed to employ personnel hired under posting #A-699. Motion carried unanimously.

Posting #A-699 – Welding Technology/Building Maintenance & Operations
Teacher: Larry A. Jones

B. On motion of Mr. Ujcich, seconded by Mr. Haught, the Board, upon the Superintendent's recommendation, approved a request of the Brooke County Sheriff's office, in the amount of $25,000 to assist in the continued existence of the Prevention Resource Program in Brooke County Schools. Motion carried unanimously.

C. On motion of Mr. Ferguson, seconded by Mr. Lazear, the Board, upon the Superintendent's recommendation, approved addressing the presence of ground hogs on the property at Brooke High School. Motion carried unanimously.

D. On motion of Mr. Ujcich, seconded by Mr. Ferguson, the Board, upon the Superintendent's recommendation, approved charging users, other than Brooke County Schools, current mileage cost in addition to the normal charges related to renting a county school bus for outside trips. Motion carried unanimously.

E. On motion of Mr. Ujcich, seconded by Mr. Haught, the Board approved a request by James R. Hervey, Business Manager, for a Resolution and Order to refinance Public School bonds, Series 2001, as submitted. Motion carried unanimously.

F. On motion of Mr. Ferguson, seconded by Mr. Lazear, the Board approved a request by Rob Robinson, Director Facilities/Maintenance, to accept the bid from Wilson Blacktop, Colerain, Ohio, in the amount of $25,800 for Asphalting the rear road and offset parking in front of the rear cafeteria at Brooke High School. It was the only bid received. Motion carried unanimously.

G. On motion of Mr. Ujcich, seconded by Mr. Lazear, the Board approved a request by Rob Robinson, Director Facilities/Maintenance, to accept the bid from Hukill Contracting, Wellsburg, in the amount of $8,330 for the demolition and concrete replacement of the ramp in back of the Board of Education office. Other bids received were: Kohout Construction - $9,600; Able Concrete - $11,410; Harry Trushel Construction - $14,800, as submitted. Motion carried unanimously.

H. On motion of Mr. Ferguson, seconded by Mr. Ujcich, the Board approved a request by Rob Robinson, Director Facilities/Maintenance, to accept the bid from Contractor's Connection, Washington, PA, in the amount of $22,160 for a 4-Wheel Drive Front Mounted Mower with attachment capabilities. Other bids received were Kennedy Hardware - $22,972. Motion carried unanimously.

I. On motion of Mr. Ujcich, seconded by Mr. Lazear, the Board approved a request by Rob Robinson, Director Facilities/Maintenance, at the request of Toni Shute, Principal, Brooke High School, to remove three (3) trees from the main entrance of Brooke High School. After reviewing the situation, there was concern regarding the undermining of the pavement by the existing root system. Motion carried unanimously.

J. On motion of Mr. Lazear, seconded by Mr. Ujcich, the Board approved a request by Joe Starcher, Director of Career, Technical & Adult Education, for funds in the amount of $65,000 for the FY'2013 Tutoring Program to support individualized learning in Brooke County Schools. Any unused funds will be carried over to the 2013-2014 school year as submitted. Motion carried unanimously.

K. On motion of Mr. Ujcich, seconded by Mr. Lazear, the Board approved a request by Joe Starcher, Director of Career, Technical & Adult Education, to place for bid nine (9) welding booths with multi-processors, exhaust, and filtering systems as submitted. Motion carried unanimously.

L. On motion of Mr. Ujcich, seconded by Mr. Haught, the Board approved a request by Angela Kocher, Director of Retired & Senior Volunteer Program in Brooke-Hancock-Ohio-Marshall counties, to continue using Jefferson Primary School for the RSVP After School Adventures Program on Fridays from 2:45 p.m. to 6:00 p.m. on days school is in service, as submitted. Motion carried unanimously.

M. On motion of Mr. Ujcich, seconded by Mr. Lazear, the Board approved a request by Angela Kocher, Director of Retired & Senior Volunteer Program in Brooke-Hancock-Ohio-Marshall counties, to also use Wellsburg Primary School Monday-Friday from 2:45 p.m. to 6:00 p.m. on days school is in service, as submitted. Motion carried unanimously.

N. On motion of Mr. Lazear, seconded by Mr. Ferguson, the Board, upon the Superintendent's recommendation, approved a request by parents for their children to attend schools outside their attendance areas, as approved or denied through the office of Rhonda Combs. (list will be available at the meeting). Motion carried unanimously.

O. There were no requests for use of facilities at this time.

P. On motion of Mr. Ujcich, seconded by Mr. Ferguson, the Board approved Budget Supplements or Transfers as submitted. Motion carried unanimously.

Q. Board Members' / Superintendent's Comments: Ribbon cutting for new Brooke High School football field Wednesday;

R. On motion of Mr. Lazear, seconded by Mr. Ujcich, the Board approved a request by Valerie Smith, Director of Student Services, to accept the *2012-13 Student Services Handbook*, as submitted. Motion carried unanimously.

S. On motion of Mr. Ujcich, seconded by Mr. Ferguson, the Board approved a request by Ron Staffileno, Director of Transportation, for the following to be purchased from Allietta Ford of Wellsburg: Two (2) 2012 Ford Focus; 4DR Sedan @ $15,500 each – Total $31,000.00 to be placed at the Board office for use by principals, teachers, etc., for travel purposes. As $30,000 was allocated for this purchase, the Board also approved his request for an additional $1,000. Motion carried unanimously.

T. On motion of Mr. Ferguson, seconded by Mr. Lazear, the Board approved a request by Joe Starcher, Director of Career Technical & Adult Education, for Roger Simmons to pull his bid for the Welding Technology/Building Operations and Maintenance teacher at Brooke High. He has accepted a position with another Technology Center. Motion carried unanimously.

IX. Information Items:

A. Directors' Reports:

- James Hervey – Treasurer – entering new employees
- Marty Bartz – Assistant Superintendent – personnel updates
- Valerie Smith – Director of Student Services / Curriculum 6 – 12 / Attendance – Critical Skills; Summer School; train secretaries WOW; principals' meeting;
- Melissa Figlioli – Director of Special Education – new teachers – CPI; options for ALC; 2 positions for Follansbee and Wellsburg Middle Schools
- Rhonda Combs – Director of PreK-5 and Federal Programs-Pre-K & K enrollment; out of area; trainings
- Joe Starcher – Director of Career Technical and Adult Education- Welding class/teacher
- Rob Robinson - Director of Maintenance/Facilities; Technology- ALC; offsite program sites; Colliers
- Ron Staffileno - Director of Transportation & Safety- Special Needs bus runs
- Tom Davidson – Director of Child Nutrition- Not present

B. Bullying and Harassment report from Dr. Kathy Kidder, dated July 23, 2012

C. On motion of Mr. Ferguson, seconded by Mr. Lazear, the Board of Education members voted a satisfactory evaluation for Dr. Kidder-Wilkerson, Superintendent. Motion carried unanimously.

X. Miscellaneous:

A. On motion of Mr. Lazear, seconded by Mr. Ujcich, the Board approved the current bills submitted for payment. Motion carried unanimously.

B. The next session of the Board is a special meeting scheduled on August 20, 2012. The next regular session is Monday, August 27, 2012, 6:00 p.m. to be held at the Brooke County Board of Education offices, 1201 Pleasant Avenue, Wellsburg WV 26070.

XI. With no further business, on motion of Mr. Ferguson, seconded by Mr. Lazear, the meeting adjourned. Motion carried unanimously.

James R. Piccirillo, Board President

Dr. Kathy Kidder-Wilkerson, Secretary

(Copy sent to each Board Member)

$4,075,000
THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

REGISTRAR'S AGREEMENT

THIS AGREEMENT, dated as of November 5, 2012, by and between THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE (West Virginia), a statutory corporation of the State of West Virginia (the "Issuer"), and WESBANCO BANK, INC. a West Virginia banking corporation (the "Bank"), as Registrar under a Resolution and Order of the Issuer adopted August 13, 2012 (the "Resolution").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $4,075,000 aggregate principal amount of Public School Refunding Bonds, Series 2012, in fully registered form (the "Bonds"), pursuant to the Resolution;

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Agreement does appoint the Bank to act as Registrar under the Resolution and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Resolution, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Bonds for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the WesBanco States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to

time reasonably require.

3. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement and the Resolution, the Issuer hereby agrees to pay to the Bank from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Resolution, the terms of the Resolution shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Resolution will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: The Board of Education of the
County of Brooke
1201 Pleasant Avenue
Wellsburg, West Virginia 26070
Attention: President

BANK: WesBanco Bank, Inc.
1 Bank Plaza
Wheeling, WV 26003-3565
Attention: Corporate Trust Department

8. The Bank, as Registrar, is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Resolution.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE and WESBANCO BANK, INC. have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE

By: James R Piccinillo
President

WESBANCO BANK, INC.

By: Janet W. Kendzierski
Corp. Trust Officer

Department of Treasury
Internal Revenue Service
Ogden UT 84201-0074

Notice	CP152
Tax period	November 30, 2012
Notice date	December 31, 2012
Employer ID number	55-6000303
To contact us	Phone 1-877-829-5500

039852.279698.0135.003 1 MB 0.404 372

THE BOARD OF EDUCATION OF THE COUNT
Y OF BROOKE
1201 PLEASANT AVE
WELLSBURG WV 26070-1344

039852

Acknowledgment of your November 5, 2012 Form 8038-G

We received your tax-exempt bond form

This notice serves as official acknowledgment that we received your Form 8038-G. If you filed more than one form, you will receive a separate acknowledgment for each one.

Tax-exempt bond information

Bond issuer	THE BOARD OF EDUCATION OF THE COUNT
Name of issue	THE BOARD OF EDUCATION OF THE COUNT
Address	1201 PLEASANT AVE WELLSBURG WV 26070
CUSIP number	112511 CV 0
Issue date	November 5, 2012
Issue price	$4,241,304.00
Maturity date	May 1, 2016
IRS report number	348

Important reminders

- Attach a copy of this notice to all of your correspondence and documents related to this tax-exempt bond.
- If a tax practitioner or someone else prepared your form, you may want to give them a copy of this notice. (A copy was automatically sent to all representatives authorized with a Power-of-Attorney for this form.)

Additional information

- Visit www.irs.gov/cp152.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- If you have questions about tax-exempt bonds, call TEGE Customer Account Services at 1-877-829-5500.
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service Center
Ogden, UT 84201

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by *(Printed Name)* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED
NOV 13 2012
OGDEN, UT

3. Service Type

☑ Certified Mail ☐ Express Mail
☐ Registered ☑ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number
(Transfer from service label) 7011 0110 0002 1648 7047

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

William K. Briggs, Jr.
Goodwin & Goodwin, LLP
300 Summers St., Suite 1500
Charleston, WV 25301

(Brooke G.)

GOODWIN

Goodwin & Goodwin, LLP
300 Summers Street
Suite 1500
Charleston, WV 25301-1678

T (304) 346-7000
F (304) 344-9692

www.goodwingoodwin.com

COPY

November 7, 2012

Via Certified Mail-Return Receipt
Requested No. 7011 0110 0002 1648 7047
Internal Revenue Service Center
Ogden, UT 84201

Re: $4,075,000
The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Gentlemen:

Enclosed is Form 8038-G filed on behalf of the Brooke County (West Virginia) Board of Education, Wellsburg, West Virginia, which provides the information required by Section 149(e) of the Internal Revenue Code of 1986, as amended. We have also enclosed a file copy to be returned to our office (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope.

Sincerely yours,

W. K. Bragg, Jr.

William K. Bragg, Jr.

WKB/aks
Enclosure

Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name The Board of Education of the County of Brooke	2 Issuer's employer identification number (EIN) 55 6000303
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) William K. Bragg, Jr.	3b Telephone number of other person shown on 3a (304) 346-7000
4 Number and street (or P.O. box if mail is not delivered to street address) / Room/suite 1201 Pleasant Avenue	5 Report number *(For IRS Use Only)* 3
6 City, town, or post office, state, and ZIP code Wellsburg, WV 26070	7 Date of issue 11/5/12
8 Name of issue The Board of Education of the County of Brooke, Public School Refunding Bonds, Series 2012	9 CUSIP number 112511 CV 0
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) James R. Hervey, Treasurer	10b Telephone number of officer or other employee shown on 10a (304) 737-3481 Ext. 19

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11	4,241,304	85
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶	18		
19	If obligations are TANs or RANs, check only box 19a ▶ ☐ If obligations are BANs, check only box 19b ▶ ☐			
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	5/1/16	$ 4,241,304.85	$ 265,000	1.6722 years	0.5146 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22		
23	Issue price of entire issue (enter amount from line 21, column (b))			23	4,241,304	85
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	131,835 41			
25	Proceeds used for credit enhancement	25				
26	Proceeds allocated to reasonably required reserve or replacement fund	26				
27	Proceeds used to currently refund prior issues	27	4,109,469 44			
28	Proceeds used to advance refund prior issues	28				
29	Total (add lines 24 through 28)			29	4,241,304	85
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	2.0498 years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	11/15/2012
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	03/27/2001

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶		
c	Enter the name of the GIC provider ▶		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☑

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☑

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ James R. Piccirillo 11/5/12 ▶ James R. Piccirillo, President

Signature of issuer's authorized representative — Date — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
William K. Bragg, Jr.	William K. Bragg, Jr.	11/5/12		

Firm's name ▶ Goodwin & Goodwin, LLP — Firm's EIN ▶ 55 0519853

Firm's address ▶ PO Box 2107, Charleston, WV 25328 — Phone no. (304) 346-7000

The Board of Education of Brooke County, West Virginia
Post-Issuance Compliance Policy
For Tax-Exempt Bonds

Purpose

The purpose of this Post-Issuance Compliance Policy ("Policy") is to establish policies and procedures for The Board of Education of Brooke County (the "Board") to comply with the post-issuance compliance requirements of the Internal Revenue Code of 1986, as amended (the "Code"). This policy is to be followed in connection with all tax-exempt bonds (the "Bonds") issued by the Board to maximize the likelihood that all applicable post-issuance compliance requirements are followed. The Board reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The Board also reserves the right to amend these policies and procedures from time to time.

The Internal Revenue Code of 1986, as amended (the "Code") requires the Board to comply with certain post-issuance compliance requirements regarding the qualified use of Bond proceeds and bond-financed property.

Compliance Officer

The specific person to be responsible for maintaining this Policy on behalf of the Board and monitoring post-issuance compliance with Internal Revenue Service ("IRS") requirements for each series of tax-exempt bonds (the "Compliance Officer") is hereby identified as:

Name: James R. Hervey

Title: Treasurer

Phone Number: (304) 737-3481 Ext. 19

The Compliance Officer shall become familiar with applicable federal tax rules (with advice from and assistance of bond counsel), shall monitor compliance with these rules and shall manage retention of all relevant documents for the required period. The Compliance Officer is responsible for the implementation and maintenance of this Policy to ensure compliance with federal tax law and the underlying bond documents. The Compliance Officer is authorized to develop the required electronic and paper record-retention systems, to review documents, to supervise staff and to retain professional advisors, including legal counsel, rebate consultants, tax accountants and financial advisors. In addition, the Compliance Officer shall consult with bond counsel as needed regarding interpretation and applicability of tax regulations and other documents.

The Compliance Officer shall be properly trained regarding post-issuance compliance for tax-exempt bond issuances in accordance with federal tax rules regarding qualified use of Bond proceeds and bond-financed property and arbitrage and rebate requirements.

External Advisors / Documentation

The Board shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process and following the issuance of the Bonds to identify compliance requirements and to establish procedures necessary or appropriate to ensure the Bonds maintain their tax-exempt status. This shall include consultation in connection with any potential changes in use of Bond-financed assets and property ("Bond-Financed Property"). The Board shall be responsible for determining whether any arbitrage rebate calculations need to be performed. If it is determined that such calculations are or are likely to be required, the Board shall engage expert advisors (each a "Rebate Service Provider") to assist in the arbitrage calculation, or shall ensure that it has adequate financial, accounting and legal resources of its own to make such calculations. The Board shall make any rebate payments required on a timely basis.

Unless otherwise provided, unexpended Bond proceeds shall be held by a financial institution, and the investment of Bond proceeds shall be managed by the Board. The Board shall prepare (or cause the financial institution to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds, and such statements shall be maintained in accordance with this Policy.

Internal Revenue Service Filings

At the time of issuance and throughout the life of the Bonds, the Board must comply with certain information filing requirements under 149(e) of the Internal Revenue Code (the "Code"). The Board will work with bond counsel to provide applicable information related to those filings.

Expenditure of Bond Proceeds

The Compliance Officer or his or her designee will monitor expenditures of Bond proceeds to ensure that expenditures are in accordance with the requirements in an applicable tax certificate.

Arbitrage Rebate and Yield

Because tax-exempt obligations provide a less expensive means of financing construction projects than other conventional approaches, resulting in a significant interest savings benefit, the federal government has imposed a variety of rules to restrict the use of tax-exempt financing to prevent potential abuse. The investment of tax-exempt Bond proceeds must be tracked and diligently reviewed by the Compliance Officer or his designee until all of the proceeds are spent.

If at the time of Bond issuance, based on reasonable expectations set forth in a tax certificate (the "Tax Certificate"), it appears likely that the Bond issue will qualify for an exemption from the rebate requirement, the Board may defer taking any of the actions set forth below. Not later than the time of depletion of all funds, the Board shall make a determination if expenditure of the Bond proceeds qualified for exemption from the rebate requirements based on spending within the 6 month or 18 month period, as applicable, after issuance. If rebate exemption is determined to be applicable, the Board shall prepare and keep in the permanent records of the Bond issue a memorandum evidencing this conclusion together with records of expenditure to support such conclusion. If the transaction does not qualify for rebate exemption, the Board shall initiate the steps set forth below.

The tax regulations include yield restriction rules, which limit the yield at which the Bond proceeds may be invested. Generally, yield restricted investments must not be invested at a yield "materially higher" than the yield on the tax-exempt bonds. If the yield restriction rule is violated, then a "rebate amount" must be paid to the IRS that is calculated with respect to the Bond proceeds. Upon a determination that arbitrage rebate calculations will be required, the Board shall:

- engage the services of a Rebate Service Provider and, prior to each rebate calculation date, cause the trustee or other financial institution investing Bond proceeds to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;
- provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitor efforts of the Rebate Service Provider;
- assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- retain copies of all arbitrage reports and trustee statements and, upon request, provide such reports and statements to the Rebate Service Provider.

In lieu of engaging an outside Rebate Service Provider, the Board may make a determination that it has sufficient capabilities using its own personnel, supported by its regular accounting and legal advisers, to be able to make the required rebate calculations. The rebate amount is equal to the yield on certain investments purchased with the proceeds of the bonds in excess of the yield on the bonds, plus all income attributable to such excess. Rebates must be made to the federal government every fifth bond year and within sixty days after the retirement of the last Bond of each issue. Detailed records of any transactions that may have an effect on either the yield on the Bonds or the yield on the investments should be maintained. The Compliance Officer shall be responsible for overseeing compliance with arbitrage rebate requirements under federal tax regulations and should consult bond counsel if further assistance regarding arbitrage calculations is necessary.

Use of Bond-Financed Property

It is the Board's policy that the Compliance Officer shall be responsible for:

- monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before Bond issuance) and the use of Bond-financed (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds (e.g., restrictions on private business use, payment and security);
- maintaining records identifying the assets or portion of assets that are financed with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before Bond issuance), including a final allocation of Bond proceeds as described below under "Record Keeping Requirements;"
- consulting with bond counsel and other legal counsel and advisers in the review of any change in use of Bond-Financed Property to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- conferring at least annually with the personnel responsible for Bond-Financed Property to identify and discuss any existing or planned use or disposition of Bond-Financed Property, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- to the extent that the Compliance Officer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary; and
- with respect to other types of exempt facilities, adopting any such procedures that bond counsel deems appropriate to periodically assess whether such facility continues to qualify as an exempt facility.

Remediation

If the Board takes a "deliberate action" after the issue date of a bond issue that causes the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds under Regulations section 1.141-2(d)(3), which defines a deliberate action as any action taken by an issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 allows an issuer to take remedial action to prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action. The Board hereby adopts such procedures to ensure timely remedial action for all nonqualified bonds according to Regulations section 1.141-12 or

other remedial actions authorized by the IRS Commissioner under Regulations section 1.141-12(h).

Record Retention

Record retention is essential to supporting tax deductions, credits and exclusions. All records should be retained until they are no longer material to any Bond issuances or tax filings. It is the Board's policy that the Compliance Officer shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus three years:

- a copy of the bond transcript, which shall include, without limitation, the basic financing documents from each bond transaction, including the master trust indenture, bond indentures, loan agreements, authorizing resolutions, bond counsel opinion, and tax agreements;
- all material documents related to bond expenditures and allocation documentation, including requisition forms, trustee statements, construction contracts, purchase orders, invoices, payment records and any other documents describing how Bond proceeds have been allocated, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed with Bond proceeds;
- documentation demonstrating the use of bond-financed property by public and private sources, including grant agreements, management contracts, research agreements and leases;
- documentation generated during the compliance process, such as plans, questionnaires and spreadsheets;
- documentation of all sources of payment or security for Bonds;
- documentation regarding the investment of Bond proceeds, including, without limitation, the purchase and sale of securities, SLGs subscriptions, yield calculations for each investment class, actual investment income received from the investment of proceeds, guaranteed investment contracts, rebate calculations, arbitrage reports and underlying documents and any bidding documents; and
- any other documentation that is material to the Bonds or the Bond-Financed Property based on the particular facts of an issuance.

The Compliance Officer shall ensure that the required documents are compiled and retained. The decision regarding whether a particular document must be retained must be made on a case-by-case basis.

Accepted and agreed to as of the 5th day of November, 2012.

THE BOARD OF EDUCATION OF BROOKE COUNTY

By: _____
President

COPY

GOODWIN

Goodwin & Goodwin, LLP
300 Summers Street
Suite 1500
Charleston, WV 25301-1678

T (304) 346-7000
F (304) 344-9692

www.goodwingoodwin.com

November 7, 2012

Mrs. Sara Rogers, Executive Director
West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25302

Re: The Board of Education of the County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Dear Sara:

Enclosed please find the New Issue Report Form, which has been prepared in connection with the above-referenced transaction and sent to you for filing in your office in regard to the same. Upon completion of the transcript, we will forward a bound copy to you for your reference. In the meantime, if you have any questions concerning this transaction, please feel free to contact me.

Sincerely yours,

W. K. Bragg, Jr.

William K. Bragg, Jr.

WKB/aks
Enclosure

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue, Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM
Date of Report: November 7, 2012

ISSUE: The Board of Education of the County of Brooke.
Public School Refunding Bonds, Series 2012

ADDRESS: 1201 Pleasant Avenue
Wellsburg, WV 26070

COUNTY: Brooke

PURPOSE: New Money __
OF ISSUE: Refunding _X_

Refunds issue dated: March 27, 2001

ISSUE DATE: November 5, 2012
CLOSING DATE: November 5, 2012
ISSUE AMOUNT: $4,075,000
RATE: 1.353478 (NIC)
1ST DEBT SERVICE DUE: May 1, 2013
1ST PRINCIPAL DUE: May 1, 2013
1ST DEBT SERVICE AMT.:$1,249,766.67
PAYING AGENT: Municipal Bond Comm.

BOND COUNSEL: Goodwin & Goodwin, LLP
Contact Person: W.K. Bragg, Jr.
Phone 346-7000

UNDERWRITER: Piper Jaffray & Co.
Contact Person: Marie Prezioso
Phone: (304) 343-7102

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: James R. Hervey
Position: Treasurer
Phone: (304) 737-3481 Ext. 19

----------DEPOSITS TO MBC AT CLOSE:

___ Accrued Interest: $
___ Capitalized Interest: $
___ Reserve Account: $
_X_ Other: Escrow to Refund Prior Bonds - $4,109,469.44

By _X_ Wire
___ Check

----------REFUNDS & TRANSFERS BY MBC AT CLOSE:

___ To Escrow Trustee: $
___ To Registrar: $
___ Other: _____ $_____

By ___ Wire
___ Check
___ IGT

Notes: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS
REQUIRED:_____

TRANSFERS
REQUIRED:_____

AN ORDER OF THE BOARD OF EDUCATION
OF THE
COUNTY OF BROOKE
DIRECTING AN ELECTION TO BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF BROOKE COUNTY SCHOOL DISTRICT ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF FIFTEEN MILLION DOLLARS ($15,000,000)

BE IT ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE: It appears to the Board of Education of the County of Brooke (hereinafter called "the Board") from the experience of the Board in operating the schools in the Brooke County School District (hereinafter called the "School District") and after carefully studying and considering reports, recommendations and the needs of the School District regarding the desire for an improved educational program and, based upon this information, the Board does accordingly find that:

1. There are now and have been for several years in the School District serious deficiencies in its physical plant that generally results in a lack of efficiency, lack of adequate health and safety standards, lack of adequate facilities to prepare students properly for gainful employment and further education, and an overall impairment of the educational process within the School District. To meet these inadequacies, there is a need to enlarge, equip, extend, furnish, improve, construct, and renovate certain school facilities in all grade and age levels, as soon as possible, in the manner hereinafter stated, and to achieve these stated goals.

2. The funds derived from current levies which this Board is now authorized by law to lay, after providing for administration of the affairs of the Board and meeting the current expenses thereof required by law, are insufficient to finance the projects required by a comprehensive building program and, therefore, Bonds should be issued to provide funds for such projects.

3. To obtain the necessary funds for the projects hereinafter described, it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, improvement, equipping and furnishing of such projects. Studies by the Board show that the School District must spend at least the sum of Fifteen Million and 00/100 Dollars ($15,000,000) for such purposes, which would come from the proceeds of the sale of the Bonds or any other source, all for the general purpose of providing adequate, safe and convenient educational facilities for the School District.

4. The valuation of the taxable property in the School District, as shown by the last assessment thereof for State and County taxation purposes, is $602,118,971, and valuation of each class of property within the School District is as follows:

Class I	$	36,525,941
Class II		200,868,438
Class III		98,329,084
Class IV		266,395,508
Total	$	602,118,971

5. The Board and the School District now have outstanding bonded indebtedness in the amount of $669,704.00. The unbonded indebtedness of the School District is for current expenses and can be paid from current levy funds. The maximum bonded indebtedness the Board may incur is five percent (5%) of the total amount shown above or $30,105,948. Accordingly, Bonds in the amount of $15,000,000, plus the current outstanding bonded indebtedness, being less than five percent (5%) of the value of such taxable property as ascertained by the last assessment thereof for State and County taxes, may be issued and sold without violating any constitutional or statutory provision.

6. Bonds in the denomination of $5,000 each, or integral multiples thereof, aggregating $15,000,000, should be issued and sold, the proceeds of which shall be used for the projects hereinafter described; provided, however, that in the event that any part of the Bond proceeds should not be needed for completion of the projects, such unneeded part shall be deposited with the Municipal Bond Commission of West Virginia to be used solely for the purchase of any Bonds of this issue outstanding at not more than the par value thereof plus accrued interest to date of purchase or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified; and, provided, further, the Board shall have the authority to pay matured interest and the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the Bond proceeds expended for this purpose shall be reimbursed from levy money collected.

7. The question of incurring said debt, issuing said Bonds, and all other questions properly connected therewith shall be submitted to the voters of the School District at the general election to be held on the 7th day of November, 2000, and the commissioners and clerks for holding said election, at each of the legally established voting precincts in Brooke County, shall be those commissioners and clerks designated, appointed and certified by The County Commission of Brooke County, West Virginia in connection with said election.

8. The Bonds shall bear interest at a rate or rates not exceeding the rate of Seven and Three-Quarters percent (7.75%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which might result in somewhat lower levy rates needed to pay the Bonds and the interest thereon); the Bonds shall be payable for a maximum term of Fifteen and One-Half (15½) years from their date of issuance.

9. The Bonds shall be issued only in book entry or registered form as to principal and interest in compliance with the United States Internal Revenue Code Sections 103 and 149 (26 USC Section 103 and Section 149), as amended, and as authorized by the West Virginia Public Obligations Registration Act, Article 2F, Chapter 13 of the Code of West Virginia of 1931, as amended (the "Code").

10. The project for which the proceeds of the Bonds, if authorized by the voters to be expended, is as follows:

SPECIFIC PROJECT	LOCATION	ESTIMATED COST
BROOKE HIGH SCHOOL (Grades 9-12) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Brooke High School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning systems; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; the upgrade of the security system; the pavement of adjacent parking facilities; the refurbishment of outdoor athletic fields, athletic facilities and vocational facilities; and the construction of a Wellness Center, which is to include, but not be limited to, an indoor walking/running track, a gymnasium, locker rooms, a natatorium, classrooms, conference rooms, a wrestling room, weight rooms, trainers rooms and storage areas.	To be located adjacent to or within the current Brooke High School Complex, Wellsburg, West Virginia	$7,695,000.00
BEECH BOTTOM PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Beech Bottom Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located adjacent to or within the current Beech Bottom Primary School, Beech Bottom, West Virginia	$349,020.00
BETHANY PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Bethany Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal	To be located adjacent to or within the current Bethany Primary School, Bethany, West Virginia	$437,195.00

requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.		
COLLIERS PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Colliers Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and the upgrade of the security system.	To be located within or adjacent to the current Colliers Primary School, Colliers, West Virginia	$330,024.00
EDGEWOOD PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Edgewood Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current Edgewood Primary School, Weirton, West Virginia	$290,000.00
FRANKLIN PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Franklin Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and the upgrade of the security system.	To be located within or adjacent to the current Franklin Primary School, Wellsburg, West Virginia	$538,565.00
HOOVERSON HEIGHTS PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing,	To be located within or adjacent to the current Hooverson	$623,000.00

equipping and renovating the facilities of Hooverson Heights Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvements of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	Heights Primary School, Follansbee, West Virginia	
JEFFERSON PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Jefferson Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and the upgrade of the security system.	To be located within or adjacent to the current Jefferson Primary School, Follansbee, West Virginia	$713,510.00
L.B. MILLSOP PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of L.B. Millsop Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current L.B. Millsop Primary School, Weirton, West Virginia	$157,096.00
WELLSBURG PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Wellsburg Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the	To be located within or adjacent to the current Wellsburg Primary School, Wellsburg, West Virginia	$240,000.00

installation of technology enhancements; and installation of a security system.		
FOLLANSBEE MIDDLE SCHOOL (Grades 5-8) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Follansbee Middle School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; the addition of a track, renovations to the athletic facilities; and installation of a security system.	To be located within or adjacent to the current Follansbee Middle School, Follansbee, West Virginia	$1,841,135.00
WELLSBURG MIDDLE SCHOOL (Grades 5-8) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Wellsburg Middle School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; the addition of a track, renovations to the athletic facilities; and installation of a security system.	To be located within or adjacent to the current Wellsburg Middle School, Wellsburg, West Virginia	$1,625,455.00
ALTERNATIVE LEARNING CENTER (Grades 7-12) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Alternative Learning Center to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current Alternative Learning Center, Wellsburg, West Virginia	$45,000.00
CARVER/TRANSPORTATION OFFICE Constructing, repairing, improving, furnishing,	To be located within or adjacent to the	$55,000.00

equipping and renovating the facilities of the Transportation Office, School Bus Garage and School Bus Parking to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of facilities to meet State and Federal requirements regarding disabled persons; the installation of a security system; and the installation of City water.	current Carver/Transportation Office, Wellsburg, West Virginia	
ADMINISTRATION BUILDING Constructing, repairing, improving, furnishing, equipping and renovating the facilities of the Central Office of the Board of Education to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled persons; and installation of a security system.	To be located within or adjacent to the current Administration Building, Wellsburg, West Virginia	$60,000.00
	Total Estimated Costs	$ 15,000,000.00

The amounts described above include the costs of acquiring real estate and rights-of-ways, if any, engineering and architectural costs, environmental remediation costs, construction costs including but not limited to the cost of using county maintenance personnel, the costs of demolition, the costs and estimated costs of the issuance of the Bonds, interest during construction and such other costs, fees and expenses as shall be necessary and/or properly incurred in carrying out the foregoing projects. If for any reason any portion of the above-enumerated project cannot be constructed, carried out, or completed, the amount above set out for such project and any sums remaining unused upon completion of the foregoing project shall be allocated by the Board in its discretion, to be expended for any one or more remaining items associated with the above-enumerated construction projects, as provided by Section 6(a), Article 1, Chapter 13 of the Code. In the event the Board shall obtain additional money by grant or otherwise from the state or federal government, or from any agency of either, or from any other source, for use in the acquisition, remediation, construction, renovation, improvement, demolition, paving, furnishing and/or equipping of the above-enumerated projects, such additional money shall be used either in substitution for or in addition to the proceeds of the sale of the Bonds proposed hereby, as shall be determined by the Board and the granting body or agency.

11. If the voters of the School District approve the incurring of said debt and the issuance of said Bonds, the Board will lay annually, upon the assessed valuation of all the taxable property within the School District, a levy sufficient to provide funds for the payment of the annual interest upon the Bonds as such interest accrues semiannually and the principal of the Bonds at maturity, for which purposes a levy upon each $100 valuation, based upon the last assessment of such property for State and County purposes, will be required as follows:

Upon Class I Property approximately	10.19 cents
Upon Class II Property approximately	20.38 cents
Upon Class III Property approximately	40.76 cents
Upon Class IV Property approximately	40.76 cents

12. In the laying of said levy, the assessment levy authorized to be laid by said Board by the Constitution of West Virginia and the statutes enacted pursuant thereto shall not be exceeded; provided, however, that said rates hereinabove set forth shall, whenever necessary, be exceeded in making the annual levy for interest and principal of said Bonds within statutory and constitutional limitations; and that in the levy, collection and disbursement of taxes within constitutional and statutory limitations, this levy for interest and principal shall have preference over all other taxes collected by said School District for any purpose whatsoever, except the payment of the interest and sinking fund requirements on any other bond issue or issues which lawfully have been authorized heretofore or which shall be authorized hereafter.

13. If the debt represented by this Bond issue shall be approved by the voters, such Bonds, together with all existing bonded indebtedness heretofore incurred under Section 1, Article X, of the Constitution, will not exceed in the aggregate five percent (5%) of the taxable property in the School District ascertained in accordance with Sections 8 and 10, Article X, of the Constitution of this State and will be payable from a direct annual tax levied and collected in each year on all taxable property in said School District, sufficient to pay the principal and interest maturing on said Bonds in each year, which maximum rates are provided for tax levies for school districts on the several classes of property in Section 1, Article X of the Constitution, but in the same proportions as such maximum rates are levied outside the limits fixed by Section 1, Article X of the Constitution.

14. If the debt and Bonds submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment", and the enabling legislation enacted by the Legislature of West Virginia Regular Session, 1951, amending and reenacting Sections 3 and 4, Article 1, Chapter 13 of the Code, and the enabling legislation enacted by the Legislature of West Virginia, Regular Session, 1959, amending and reenacting Section 4 and adding Section 34, Article 1, Chapter 13 of the Code, levies hereinbefore provided will not violate any constitutional or statutory provisions of this State establishing maximum levies, said levies herein provided shall be levied and allocated each year for the purposes of discharging the interest and principal of the Bonds to be authorized, and for such purposes shall be laid separate and apart from all other levies made for all other purposes of the School District, and the Board does further find that after laying and allocating said special levies for payment of principal and interest requirements of said Bonds, there will be, out of the levies authorized by law and apportioned for current expenses, a sufficient levy authorized by law which, when added to other income, will be sufficient to carry out the proper requisite functions of said Board and of said School District.

BE IT FURTHER ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE AS FOLLOWS:

After careful study and due deliberation, the Board finds that available funds are insufficient for the payment of general current expenses and for correcting deficiencies in school building

facilities. Wherefore, the Board orders the submission to the voters of Brooke County, at the general election to be held on Tuesday, November 7, 2000, the question of whether the Board should incur debt and issue Bonds in the sum of $15,000,000 for the purposes set forth in this order.

1. The schedule of commissioners, clerks and poll workers which are designated, appointed and certified for the purpose of a special, primary or general election shall be the same commissioners, clerks and poll workers which are designated, appointed and certified by The County Commission of Brooke County, West Virginia, in connection with the general election to be held on Tuesday, November 7, 2000. Such commissioners, clerks and poll workers shall be identified in an Amended Order to be approved by the Board when their names become available.

2. Notice of this question shall be given by publication of this order at least once each week for two (2) successive weeks before the election and within fourteen (14) consecutive days next preceding the election in the Brooke County Review and The Brooke Scene which are newspapers of general circulation in the School District.

3. The ballot shall be in the form that follows:

OFFICIAL BALLOT
BROOKE COUNTY BOARD OF EDUCATION
SCHOOL BOND ELECTION
TUESDAY, NOVEMBER 7, 2000

Serious deficiencies exist in the schools of Brooke County. Such deficiencies generally result in lack of efficiency, lack of adequate health and safety standards, lack of adequate facilities to prepare students properly for gainful employment and further education, and an overall impairment of the educational process within Brooke County. Therefore, the Board of Education finds it necessary to undertake the following comprehensive construction program:

SPECIFIC PROJECT	LOCATION	ESTIMATED COST
BROOKE HIGH SCHOOL (Grades 9-12) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Brooke High School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning systems; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; the upgrade of the security system; the pavement of adjacent parking facilities; the refurbishment of outdoor athletic fields, athletic facilities and	To be located adjacent to or within the current Brooke High School Complex, Wellsburg, West Virginia	$7,695,000.00

vocational facilities; and the construction of a Wellness Center, which is to include, but not be limited to, an indoor walking/running track, a gymnasium, locker rooms, a natatorium, classrooms, conference rooms, a wrestling room, weight rooms, trainers rooms and storage areas.		
BEECH BOTTOM PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Beech Bottom Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located adjacent to or within the current Beech Bottom Primary School, Beech Bottom, West Virginia	$349,020.00
BETHANY PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Bethany Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located adjacent to or within the current Bethany Primary School, Bethany, West Virginia	$437,195.00
COLLIERS PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Colliers Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and the upgrade of the security system.	To be located within or adjacent to the current Colliers Primary School, Colliers, West Virginia	$330,024.00

EDGEWOOD PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Edgewood Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current Edgewood Primary School, Weirton, West Virginia	$290,000.00
FRANKLIN PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Franklin Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and the upgrade of the security system.	To be located within or adjacent to the current Franklin Primary School, Wellsburg, West Virginia	$538,565.00
HOOVERSON HEIGHTS PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Hooverson Heights Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvements of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current Hooverson Heights Primary School, Follansbee, West Virginia	$623,000.00
JEFFERSON PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Jefferson Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating,	To be located within or adjacent to the current Jefferson Primary School, Follansbee, West Virginia	$713,510.00

ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and the upgrade of the security system.		
L.B. MILLSOP PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of L.B. Millsop Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current L.B. Millsop Primary School, Weirton, West Virginia	$157,096.00
WELLSBURG PRIMARY SCHOOL (Grades K-4) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Wellsburg Primary School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current Wellsburg Primary School, Wellsburg, West Virginia	$240,000.00
FOLLANSBEE MIDDLE SCHOOL (Grades 5-8) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Follansbee Middle School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; the addition of a track, renovations to the athletic facilities; and installation of a security system.	To be located within or adjacent to the current Follansbee Middle School, Follansbee, West Virginia	$1,841,135.00

WELLSBURG MIDDLE SCHOOL (Grades 5-8) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Wellsburg Middle School to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; the addition of a track, renovations to the athletic facilities; and installation of a security system.	To be located within or adjacent to the current Wellsburg Middle School, Wellsburg, West Virginia	$1,625,455.00
ALTERNATIVE LEARNING CENTER (Grades 7-12) Constructing, repairing, improving, furnishing, equipping and renovating the facilities of Alternative Learning Center to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities to meet State and Federal requirements regarding disabled students; the installation of technology enhancements; and installation of a security system.	To be located within or adjacent to the current Alternative Learning Center, Wellsburg, West Virginia	$45,000.00
CARVER/TRANSPORTATION OFFICE Constructing, repairing, improving, furnishing, equipping and renovating the facilities of the Transportation Office, School Bus Garage and School Bus Parking to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of facilities to meet State and Federal requirements regarding disabled persons; the installation of a security system; and the installation of City water.	To be located within or adjacent to the current Carver/Transportation Office, Wellsburg, West Virginia	$55,000.00
ADMINISTRATION BUILDING Constructing, repairing, improving, furnishing, equipping and renovating the facilities of the Central Office of the Board of Education to include, but not be limited to: the elimination of any and all health, fire and safety hazards; the improvement of the heating, ventilating and air conditioning system; the improvement of facilities	To be located within or adjacent to the current Administration Building, Wellsburg, West Virginia	$60,000.00

to meet State and Federal requirements regarding disabled persons; and installation of a security system.

Total Estimated Costs $ 15,000,000.00

After providing for the administration of instruction in the Brooke County schools and meeting the current expenses thereof required by law, current funding is insufficient to finance the comprehensive renovation and construction program described above. Therefore, the Board finds it necessary to incur debt and issue bonds to provide the above stated funds for such project.

The amounts described above include the costs of acquiring real estate and rights-of-ways, if any, engineering and architectural costs, environmental remediation costs, construction costs including but not limited to the cost of using county maintenance personnel, the costs of demolition, the costs and estimated costs of the issuance of the Bonds, interest during construction and such other costs, fees and expenses as shall be necessary and/or properly incurred in carrying out the foregoing projects. If for any reason any portion of the above-enumerated project cannot be constructed, carried out, or completed, the amount above set out for such project and any sums remaining unused upon completion of the foregoing project shall be allocated by the Board in its discretion, to be expended for any one or more remaining items associated with the above-enumerated construction projects, as provided by Section 6(a), Article 1, Chapter 13 of the Code. In the event the Board shall obtain additional money by grant or otherwise from the state or federal government, or from any agency of either, or from any other source, for use in the acquisition, remediation, construction, renovation, improvement, demolition, paving, furnishing and/or equipping of the above-enumerated projects, such additional money shall be used either in substitution for or in addition to the proceeds of the sale of the Bonds proposed hereby, as shall be determined by the Board and the granting body or agency.

And shall the Board levy taxes sufficient to pay the interest on and the principal of such Bonds?

NOTICE TO VOTERS:

To vote in favor of the proposition submitted on this ballot, punch the hole before "FOR THE PROPOSITION."

To vote against the proposition submitted on this ballot, punch the hole before "AGAINST THE PROPOSITION."

☐ FOR THE PROPOSITION

☐ AGAINST THE PROPOSITION

4. The Secretary of the Board with the assistance of the Clerk of the County Commission, which said Clerk is hereby designated and appointed as an agent of this Board for this election, are hereby authorized and directed to procure and furnish to the election commissioners at each voting precinct, insofar as practicable, the ballots, poll books, tally sheets and other things necessary for conducting the election, as provided by Chapter 13, Article 1, Section 11 of the Code, and perform all duties imposed by law upon clerks of the County Commission and Circuit Court in relation to special, primary and general elections, and in accordance with Chapter 13, Article 1, Section 13 of the Code.

5. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the Circuit Court of the County of Brooke, and said Clerk is hereby appointed the agent for the Board to perform all duties relating to absentee ballots in a special, primary or general election.

6. The registration of voters and the use of the registration booths shall be governed by the permanent registration law of the State, and the Board hereby adopts the registration list of Brooke County as the official registration list of the School District for this election.

Adopted on the 14th day of August, 2000.

THE BOARD OF EDUCATION OF THE
COUNTY OF BROOKE

By: Keith Darby
President

ATTEST:

W. C. Harvey
Secretary

Given under my hand this 14th day of August, 2000.

W. C. Harvey
Secretary of the Board of Education
of the County of Brooke

BROOKE COUNTY BOARD OF EDUCATION

RESOLUTION AND ORDER DIRECTING ISSUANCE OF BONDS

WHEREAS, The Board of Education of the County of Brooke (the "Issuer"), has heretofore, on the 14th day of August, 2000, made and entered of record an order upon the question of authorizing bonds in the amount of Fifteen Million Dollars ($15,000,000) to be issued and sold for the purpose of providing funds for making certain improvements in Brooke County School District (the "District");

WHEREAS, partially in pursuance of said order an election was held on the 7th day of November, 2000, at each of the legally established voting precincts in the District, for the purpose of ascertaining the will of the voters upon the question of whether or not said bonds should be issued. The result of said election, as shown by a canvass of the returns thereof on the 16th and 17th days of November, 2000, was four thousand one hundred sixty-four (4,164) votes for and three thousand forty-seven (3,047) votes against the issuance of said bonds; so that more than fifty percent (50%) of the voters, to wit, fifty-seven and 75/100 percent (57.75%) voting upon said proposition at said election, voted for the issuance of said bonds; and

WHEREAS, the Issuer has accordingly determined to proceed with the issuance of bonds as hereinafter provided.

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BROOKE AS FOLLOWS:

1. Bonds in the aggregate principal amount of $15,000,000 (the "Bonds") shall be issued and sold, in denominations of $5,000 or integral multiples thereof, the proceeds of which sale shall be used for the purposes hereinafter set forth, the sale of such Bonds to be made in whole, or from time to time in part, as the Issuer may, in its discretion, deem proper, advisable and in the best interests of the inhabitants of the District. Upon completion of the Projects and payment therefor in full, any unused sum remaining from the sale of the Bonds shall be deposited with the West Virginia Municipal Bond Commission to be used for the purchase of any Bonds of this proposed issue outstanding at a price of not more than the par value thereof plus accrued interest to the date of such purchase or for the payment of the Bonds hereby authorized and the interest thereon at the maturities thereof.

2. The Bonds shall bear interest at a rate or rates not exceeding seven and three-quarters percent (7 3/4%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which might result in somewhat lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable in the principal amounts and shall mature as follows:

Bonds in the amount of $580,000 due and payable May 1, 2002;

Bonds in the amount of $735,000 due and payable May 1, 2003;

Bonds in the amount of $775,000 due and payable May 1, 2004;

Bonds in the amount of $810,000 due and payable May 1, 2005;

Bonds in the amount of $850,000 due and payable May 1, 2006;

Bonds in the amount of $895,000 due and payable May 1, 2007;

Bonds in the amount of $940,000 due and payable May 1, 2008;

Bonds in the amount of $985,000 due and payable May 1, 2009;

Bonds in the amount of $1,035,000 due and payable May 1, 2010;

Bonds in the amount of $1,085,000 due and payable May 1, 2011;

Bonds in the amount of $1,140,000 due and payable May 1, 2012;

Bonds in the amount of $1,200,000 due and payable May 1, 2013;

Bonds in the amount of $1,260,000 due and payable May 1, 2014;

Bonds in the amount of $1,320,000 due and payable May 1, 2015; and

Bonds in the amount of $1,390,000 due and payable May 1, 2016.

3. Both the Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the Municipal Bond Commission of West Virginia, Charleston, West Virginia (the "Paying Agent"). The Bonds shall be registered as to ownership and authenticated by WesBanco Bank, Inc. located in Wheeling, West Virginia, which shall be designated by the State Treasurer of the State of West Virginia as agent for the State of West Virginia. The Issuer shall annually, at the levy term thereof, make up and lay a levy upon all taxable property within the District sufficient to provide funds for paying the interest on the Bonds as the same accrues and becomes payable and the principal thereof at maturity.

4. The Bonds shall be issued under the five percent (5%) limitation of the Better Schools Amendment and will be payable from a direct annual tax on all taxable property in the District, in the ratio, as between the several classes or types of such taxable property specified in Section 1, Article X of the Constitution, separate and apart from and in addition to all other taxes for all other purposes, sufficient to pay, annually, the interest of such debt and the principal thereof, within and not exceeding thirty-four (34) years, which may be levied outside the limits fixed by Section 1, Article X of the Constitution, and the Issuer covenants with the registered owners from time to time of the Bonds that the District shall include in its budget the amount of the debt service for each

fiscal year of the District in which such sums are payable, shall appropriate such amount from its revenues for the payment of such debt service and shall duly and punctually pay or cause to be paid from its sinking fund or any other of its available revenues or funds the principal amount of each of the Bonds and the interest due thereupon at the date and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, subject to the limitations fixed by the District, shall and does pledge, irrevocably, its full faith, credit and taxing power.

5. It is hereby found and determined by the Issuer that the aggregate amount of such Bonds, to wit, Fifteen Million Dollars ($15,000,000), together with all other bonds of the District currently outstanding, does not exceed or violate any provisions or limitations in any manner provided by the School Bond Amendment and the Better Schools Amendment.

6. The Bonds hereby authorized shall be exempt from all taxation by the State of West Virginia or any political subdivision thereof and shall contain the following recital: "It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia."

7. Each Bond shall be signed by and on behalf of the Issuer by its President and countersigned by its Secretary, and the corporate seal of the Issuer shall be affixed to each, which signatures and seal may be manual or by facsimile, and the Bonds herein authorized to be issued shall be upon the terms and in form or effect substantially as set forth in "Exhibit A", attached hereto as a part hereof. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution and Order unless and until the Registrar's Certificate of Authentication and Registration on such Bond, substantially in the form set forth in said "Exhibit A", shall have been manually executed by the Paying Agent, as registrar for the Bonds (the "Registrar").

8. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar.

9. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive holder of the Bonds ("Holder"), in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the books of the Registrar, by the registered owner thereof, in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privileges of exchanging Bonds or transferring the registered Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution and Order. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. Transfers and exchanges of Bonds shall be made by the Registrar without charge to the holder or the transferee thereof, except as provided below. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such tax or other governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds.

10. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) in excess of five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

11. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

12. The Issuer shall not take any action or permit or suffer any action to be taken, the result of which would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended, or any successor provision (the "Code"), and Regulations promulgated thereunder.

13. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

14. The Issuer covenants with the registered owners from time to time of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds," as that term is defined in Section 148 of the Code. The Issuer further covenants that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of this issue. In addition, the President of the Issuer being the official responsible for issuing the Bonds, is hereby authorized and directed to execute and deliver, in the name and on behalf of the District, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" within the meaning of said Section 148 and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance, sale and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the District as to the amount and use of the proceeds of the Bonds and other matters relating to such Section 148.

15. The Issuer hereby covenants to take all actions necessary to comply with the "rebate" provisions of Section 148(f) of the Code and shall employ such professionals as may be necessary in order to ensure such compliance.

16. The Secretary of the Issuer shall transmit to the Attorney General of the State of West Virginia a duly certified copy of all orders, resolutions, proclamations, notices, advertisements, affidavits and records of all proceedings connected with or pertaining to this Bond issue, and any and all other matters relative thereto which the Attorney General may require, as provided by Section 25, Article 1, Chapter 13 of the Code of West Virginia.

17. All officers, members and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause valid Bonds to be issued as authorized by the voters of the District at the general election held on the 7th day of November, 2000, pursuant to the calling thereof, and to do all things proper and necessary to obtain the approval and sale of said Bonds, and no further authority shall be necessary to authorize any such officers or employees to give further assurance and do further acts as may legally be required by any individual or corporate purchaser of the Bonds hereby authorized or any of them.

18. Before offering the Bonds hereby authorized for sale, they shall first be advertised as required by Section 21, Article 1, Chapter 13 of the Code of West Virginia, and the officers of the Issuer are hereby authorized to place such advertisement as required thereby.

19. The Bonds maturing on and after May 1, 2012, are subject to redemption, on or after May 1, 2011, at the option of the Issuer, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at the applicable Redemption Price (expressed as a percentage of the principal amount to be so redeemed) set forth in the table below, plus interest, if any, accrued to the date fixed for redemption.

Optional Redemption Period (both dates inclusive)	Redemption Price
May 1, 2011 and thereafter	100%

In the event of such optional redemption, the Issuer may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

20. This Resolution and Order shall be effective immediately upon its adoption and entry of record.

Adopted and entered of record this 8th day of January, 2001.

BROOKE COUNTY BOARD OF EDUCATION

By: _____
President

ATTEST:

By: W. C. Harvey
Secretary

PiperJaffray. **Memo**

FINAL

*** CLOSING MEMORANDUM***

To: Distribution List

From: Marie Prezioso
Joe Nassif

Office: Charleston

Date: October 26, 2012

Re: $4,075,000
The Board of Education of the
County of Brooke(West Virginia)
Public School Refunding Bonds,
Series 2012

CLOSING DATE, TIME & LOCATION:

Monday, November 5, 2012
10:00 a.m. Eastern Time
By Telephone

CLOSING DTC FAST

SOURCES AND USES OF SERIES 2012 BONDS

SOURCES OF FUNDS:

Principal Amount	$4,075,000.00
Plus: Original Issue Premium	166,304.85
Transfer from Series 2001 Bond Account	323,418.38
Transfer from Funds at the MBC	746,581.62
Total Sources of Funds:	**$5,311,304.85**

USES OF FUNDS:

Deposit to Escrow Account	5,179,469.44
Underwriter's Discount	55,375.00
Costs of Issuance (Estimated)	76,460.41
Total Uses of Funds:	**$5,311,304.85**

TRANSFER OF FUNDS

1. On the morning of closing, November5, 2012, Piper Jaffray shall initiate two electronic transfers as follows:

   a. **Wire Amount:** **$4,109,469.44**
   Bank: BB&T WV
   250 East Second Avenue
   Williamson, WV 25661
   ABA #: 051503394
   Account #: 5270517317
   Account Name: State of West Virginia
   Ref: Municipal Bond Commission (Sara Rogers 304.558.3971)
   Bank Contact: Michael Holtsclow (304.348.7078)

   b. **Wire Amount:** **$76,460.41**
   Bank: WesBanco Trust & Investment Services
   ABA #: 043400036
   Attn: J. Shelburne
   GL A/C #: 20520700 for further
   Account #: 1085006255
   i/n/o: Brooke County BOE 2012
   Bank Contact: Jan Shelburne (304.234.9436)
   ShelburneJ@wesbanco.com

   Total of Two Wires = $4,185,929.85

2. The Board transferred $323,418.38 to the MBC for deposit in the Escrow Account on October 25, 2012.

3. The MBC will transfer from the 2001 Surplus Account $746,581.62 to the Escrow Account by November 5, 2012.

   The Escrow account will be funded from proceeds of the Series 2012 Bonds in the amount of $5,179,469.44 to call the Series 2001 Bonds on November 15, 2012 as follows:

ESCROW REQUIREMENTS

Date	Interest	Principal Redeemed	Total
11/15/2012	9,469.44	5,170,000.00	5,179,469.44

4. The Board shall use the wired funds to pay issuance costs upon proper invoice. Said costs are estimated as follows:

Bond Counsel	$30,000.00
Underwriter's Counsel	28,000.00
O.S. Printing/Distribution	2,000.00
Registrar/CDA	1,250.00
Arbitrage Opinion	1,550.00
Rating (S&P)	9,000.00
CUSIP	250.00
Verification Agent	2,000.00
Miscellaneous	2,410.41
TOTAL	$76,460.41

MISCELLANEOUS

Upon confirmation that the electronic transfer has been received and that other required activities have been completed, Goodwin & Goodwin, WesBanco and Piper Jaffray will authorize the release and distribution of the Bonds.

Because of the redelivery requirements of the Depository Trust Company, it is imperative that the above activities be completed no later than 12:30 p.m. Eastern Time on November 5, 2012

BOND PRICING
$4,075,000
The Board of Education of the
County of Brooke (West Virginia)
Public School Refunding Bonds, Series 2012

Maturity Date	CUSIP Number	Principal Amount	Coupon	Yield	Price
5/1/2013	112511 CS7	$1,190,000	3.00%	0.30%	101.318
5/1/2014	112511 CT5	$1,290,000	3.00%	0.45%	103.779
5/1/2015	112511 CU2	$1,330,000	3.00%	0.55%	106.047
5/1/2016	112511 CV0	$265,000	3.00%	0.65%	108.093
		$4,075,000			

ARTICLE 2

REFUNDING BONDS

Section
13-2-1. What political divisions may issue refunding bonds; when issued.
13-2-2. Terms of refunding bonds; time, place and amount of payments.
13-2-3. Certain provisions of article one to apply to refunding bonds.
13-2-4. Disposition of bonds; cancellation of original bonds.
13-2-5. Article sufficient authority for issuing refunding bonds.
13-2-6. Issuance without election or notice.
13-2-7. Invalidity of part of article not to affect other parts.
13-2-8. Bonds exempt from taxation.
13-2-9. Funding of orders, drafts or warrants by county courts and boards of education at rate lower than six percent.

§ 13-2-1. What political divisions may issue refunding bonds; when issued

Any county, by and through its county commission, either for and on behalf of the county or for and on behalf of any magisterial district or group of magisterial districts therein; any municipal corporation, by and through its council or other governing body in lieu thereof; or any school district, or any independent school district, by and through its board of education or other fiscal body in lieu thereof, may, in the manner and subject to the limitations and conditions contained in this article, issue and sell its bonds for the purpose of refunding the bonds of such political division which have become or are becoming due and payable and for the discharge of which there are or will be when the bonds mature no funds or insufficient funds available; or when, in the opinion of the governing body of the political division obligated to the payment of such bonds, the rate of levy necessary to provide funds for their discharge will impose excessive taxes upon the taxpayers of such political division; or for the purpose of providing for the payment of outstanding bonds in advance of the maturity or redemption thereof through the making of a deposit as provided in section four of this article; or for the purpose of rendering outstanding bonds not due when such outstanding bonds are to be presented for payment before maturity by the exercise of option provisions or by agreement with the holders thereof. Such refunding bonds may be issued bearing the same or a higher or lesser rate of interest than the bonds to be refunded. Except to the extent that additional taxes for such purpose have been approved by the voters and the levy of such additional taxes provided for in the manner stipulated in sections seven through fourteen of article one of this chapter, no such refunding bonds shall be issued bearing a higher rate of interest than the bonds being refunded or shall be issued in a principal amount exceeding the principal amount of the bonds to be refunded unless the amount of debt service payable on such refunding bonds in each year is equal to or less than the amount of taxes expected to be available therefor as shall be certified by the chairman of the West Virginia municipal bond commission prior to the issuance of such refunding bonds. The amount of taxes expected to be available in each year for purposes of this section shall be based upon the rates

of levy stipulated in the order directing the election at which the issuance of the bonds being refunded was approved by the voters and upon the most recent assessed valuation of the affected property prior to such election. In the event only a portion of the bonds provided for such order are being refunded or have been issued, an appropriate reduction shall be made in the amount of taxes expected to be available based upon the actual debt service requirements of bonds which have been issued but are not being refunded and the estimated debt service requirements of bonds which have not been issued.

Acts 1925, c. 46, § 1; Acts 1984, c. 25.

Library References

Key Numbers

Counties ⟹175.
Municipal Corporations ⟹913.
Schools ⟹97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

In general 2
Bonds increasing total indebtedness 4
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1. Construction and application

Refunding Bond Act is designed to provide some flexibility as to issuance of refunding bonds with regard to interest, maturity schedules, and sales at discount, as long as the refunding bond plan does not exceed basic constraints of original bonds approved by the voters. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

2. In general

Fact that school board's refunding bond plan proposed a maturity schedule which was two years longer than maturity schedule of outstanding original bonds, and fact that annual debt service between the two schedules was somewhat different did not make the plan improper, since refunding bond's maturity schedule was still within 20-year schedule authorized by voters on original bond issue, and since annual debt service on refunding bonds remained within amount of annual tax levy. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(7)

Section of the Refunding Bond Act containing limitation that debt service on refunding bonds must be within confines of original tax levy authorized by voters, and requiring this fact to be certified by chairman of the Bond Commission prior to issuing refunding bonds with a higher interest rate than original bonds, places a limitation on refunding bond interest and debt service, but does not preclude utilization of each current year's property valuation to set amount of that year's levy rate. Code, 13-2-1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

3. Nature and effect of refunding bonds

Refunding bonds generally do not constitute new indebtedness, because they provide method of refinancing earlier bond issue at lower interest rate. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. Municipal Corporations ⟹ 913

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(1)

County court's issuance of refunding bonds to retire existing road bonds of magisterial district does not create "new indebtedness," and levies to provide debt service for refunding bonds may be laid as if they were original bonds. Code 1931, 13-2-1 et seq. Keeney v. Kanawha County Court, 1934, 175 S.E. 60, 115 W.Va. 243. Counties ⟹ 192

4. Bonds increasing total indebtedness

Maturity schedule and interest rates proposed for refunding bonds cannot increase total indebtedness from that originally authorized by the voters. Const. Art. 10, §§ 8, 10; Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

Rule that refunding bonds do not create a new debt, and therefore, may be issued without voter approval under State Constitution, is subject to certain qualifications, including that amount of refunding bonds cannot increase total indebtedness authorized by voters on the original bond issue. Code, 13–2–1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

Once voters have approved of a certain level of bonded indebtedness, this amount cannot be increased through issuance of refunding bonds without further voter approval. Code, 13–2–1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

5. Winkler decision

State School Building Authority was authorized to issue refunding bonds with respect to those bonds forming that part of bond issue deemed unconstitutional in Winkler v. State School Building Authority issued prior to date of such opinion; bonds issued prior to date of opinion were not invalid under principle of retroactivity, and refunding of such bonds to replace them at lower interest rate did not create new debt. Const. Art. 10, § 4. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⟹ 148

School building capital improvements fund was available to fund bonds issued for purpose of refunding bonds issued by state School Building Authority (SBA) prior to promulgation of state Supreme Court's decision in Winkler v. State School Building Authority; previously granted authority to issue refunding bonds would have no practical effect absent source of funds from which to repay such bonds. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⟹ 152

State School Building Authority (SBA) was not permitted to issue bonds alleged to be refunding bonds for redemption of obligations created before Winkler v. State School Building Authority, which had practical effect of generating cash at closing in order to make immediately available to SBA anticipated debt service savings from so-called refunding bonds; rather, SBA's authority to issue refunding bonds to redeem pre-Winkler obligations was specifically limited to encompass only those bonds, proceeds of which SBA would use to discharge its preexisting obligations. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⟹ 148

6. Interest rate

State School Building Authority (SBA) was permitted to refund bonds other than those specifically designated for refunding in Winkler v. State School Building Authority, to receive greatest benefit from lower interest rates applicable to refunding bonds; bonds and their interest rates were affected by changing economic circumstances beyond control of SBA, and denial of authority to refund pre-Winkler bonds different from those specified in such decision would render SBA unable to realize the value of redeeming earlier bonds at lower interest rates and effectively abrogate SBA's capacity to refund any of its pre-Winkler bonds. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⟹ 148

Fact that under financing plan involving school board refunding bonds, refunding bonds would bear interest rates higher than interest rate on original bonds did not render them invalid, where bonds would be liquidated within the original 20-year period and taxpayers would save over $4 million. Const. Art. 10, §§ 8, 10; Code, 13–2–1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(7)

7. Mandamus

In a mandamus proceeding to compel a county court, which has issued, sold, and delivered to purchasers refunding bonds under the provisions of chapter 46, Acts 1925, to cancel all its refunding orders, recall the bonds and cancel them, on the ground that they are invalid as having been issued under an unconstitutional act, and as creating a debt without the sanction of the voters as provided by the Constitution, this court will not consider and pass upon the constitutionality of the statute nor upon the validity of the bonds, unless the bondholders are made parties or have their day in court. State ex rel. Hall, v. County Court of Mercer County, 1925, 129 S.E. 712, 100 W.Va. 11. Mandamus ⟹ 151(1)

§ 13–2–2. Terms of refunding bonds; time, place and amount of payments

Upon determining to issue such refunding bonds, the governing body of such political division shall, by resolution, authorize the issuance of such bonds in an

amount not exceeding the principal amount permitted by section one of this article, fix the date thereof, the rate or rates of interest which such bonds shall bear, payable semiannually, and require that the bonds shall bear, payable at the office of the state treasurer and at such other place or places as the body issuing the same may designate. Such resolution shall also provide that such bonds shall mature serially in annual installments beginning not more than three years after the date thereof, and the last of such annual installments shall mature in not exceeding thirty-four years from the date of such bonds. The amount payable in each year on the refunding bonds, together with any unrefunded or unissued bonds of the prior issue, may be so fixed that, when the amount of interest is added to the principal amount to be paid during the respective years, the total amount payable in each year shall be as nearly equal as practicable; or such bonds may be made payable in annual installments as nearly equal in principal as may be practicable.

All or a portion of the refunding bonds may be subject to redemption prior to the maturity thereof, at the option of the body issuing the same, at such times and prices and on such terms as shall be designated in the resolution required by this section. The body issuing the refunding bonds may not levy taxes in connection with the redemption of any refunding bonds in excess of the taxes that would have been levied for the payment of principal of and interest on such refunding bonds in such year.

Acts 1925, c. 46, § 2; Acts 1984, c. 25; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⟹183(2).
Municipal Corporations ⟹922.
Schools ⟹97(6).
Westlaw Key Number Searches: 104k183(2); 268k922; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

Conformance with terms of initial bond issuance 4
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Nature and effect of refunding bonds 1
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Sale at discount 8
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1. Nature and effect of refunding bonds

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(1)

Rule that refunding bonds do not create a new debt, and therefore, may be issued without voter approval under State Constitution, is subject to certain qualifications, including that amount of refunding bonds cannot increase total indebtedness authorized by voters on the original bond issue. Code, 13-2-1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

2. Partial issuance of original bonds

Where school board presents a financing plan that includes refunding bonds and an additional amount of unissued original bonds, aggregate of the principal and interest payments made on original bonds prior to their refunding, when

added to amounts to be paid on refunding bonds and any outstanding original bonds that are issued but not refunded, cannot exceed original indebtedness authorized by the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

3. Partial refunding

Section of Refunding Bond Act providing that in event only a portion of bonds provided for, in order directing election at which issuance of bonds being refunded was approved, are being refunded or have been issued, an appropriate reduction shall be made in the amount of taxes expected to be available, is applicable to those situations where the refunding bond plan leaves a debt service which, when combined with any original bonds that will not be refunded, is below the levy originally authorized by the voters, and thus, did not apply to school board's refunding plan, which was constructed to utilize all annual tax revenues during maturity schedule of the bonds. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 103(1)

4. Conformance with terms of initial bond issuance

Fact that school board's bond refunding plan was premised upon maintaining level debt service rather than level principal payments, which was basis for original bonds, was not objectionable, where there was no increase in tax levy rate contemplated. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

Refunding Bond Act gives bond-issuing authorities option of structuring their refunding bond plan to maintain either level debt service or level principal payments, and where level debt service is chosen, then the test is that the total amount payable in each year should be nearly equal as practicable. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

Reduction in debt service for first and last years of school board's bond refunding plan were not consequential enough to constitute a violation of the "nearly equal as practicable" language in section of the Refunding Bond Act providing that amount payable in each year on refunding bonds, together with any unrefunded or unissued bonds of the prior issue, may be so fixed that, when amount of interest is added to principal amount to be paid during respective years, total amount payable in each year shall be as nearly equal as practicable, where present refunding bond plan was within limits of the original voter mandate. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

Once voters have approved of a certain level of bonded indebtedness, this amount cannot be increased through issuance of refunding bonds without further voter approval. Code, 13-2-1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

As long as school board's refunding bond plan fell within total obligation authorized by voters pursuant to approval of original bond issue, it does not require voter approval or impinge upon mandate of the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

Section of the Refunding Bond Act containing limitation that debt service on refunding bonds must be within confines of original tax levy authorized by voters, and requiring this fact to be certified by chairman of the Bond Commission prior to issuing refunding bonds with a higher interest rate than original bonds, places a limitation on refunding bond interest and debt service, but does not preclude utilization of each current year's property valuation to set amount of that year's levy rate. Code, 13-2-1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

5. Maturity date

Maturity schedule and interest rates proposed for refunding bonds cannot increase total indebtedness from that originally authorized by the voters. Const. Art. 10, §§ 8, 10; Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

Fact that school board's refunding bond plan proposed a maturity schedule which was two years longer than maturity schedule of outstanding original bonds, and fact that annual debt service between the two schedules was somewhat different did not make the plan improper, since refunding bond's maturity schedule was still within 20-year schedule authorized by voters on original bond issue, and since annual debt service on refunding bonds remained within amount of annual tax levy. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(7)

6. Interest rates

Fact that under financing plan involving school board refunding bonds, refunding bonds would bear interest rates higher than interest rate on original bonds did not render them invalid, where bonds would be liquidated within the original 20-year period and taxpayers would save over $4 million. Const. Art. 10, §§ 8, 10; Code, 13-2-1. Board of Educ. of Hancock

County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(7)

7. Term of bonds

Refunding bonds ordinarily may not be liquidated over a period longer than authorized for the original bond issue. Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

8. Sale at discount

Discount sale of a refunding bond is not prohibited under the Refunding Bond Act. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

9. Mandamus

Once it is determined that a bond issue authorized by a governmental agency is lawful, mandamus will lie to compel secretary of the agency or other ministerial official responsible for executing the necessary documents to execute such documents. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Mandamus ⟹ 103

§ 13-2-3. Certain provisions of article one to apply to refunding bonds

All the provisions of sections seventeen, eighteen, nineteen and twenty of article one of this chapter, relating to bonds issued for original indebtedness, shall apply to the same extent and with equal force and effect to refunding bonds issued under the provisions of this article.

Library References

Key Numbers

Counties ⟹175.
Municipal Corporations ⟹913.
Schools ⟹97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

In general 1
Registration of bonds 2

1. In general

Refunding Bond Act gives bond-issuing authorities option of structuring their refunding bond plan to maintain either level debt service or level principal payments, and where level debt service is chosen, then the test is that the total amount payable in each year should be nearly equal as practicable. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

2. Registration of bonds

Statutes authorizing a bond-issuing authority to have bonds payable at the office of the State Treasurer and at such other places that the bond-issuing authority may designate provides sufficient authority to permit bonds to be registered at place of payment. Code, 13-1-14, 13-2-2; 26 U.S.C.A. § 103(j). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⟹ 113

"Registration of a bond" means that it is payable to a designated person rather than payable generally to the bearer. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⟹ 113

§ 13-2-4. Disposition of bonds; cancellation of original bonds

The governing body of the political body of the political subdivision issuing bonds under this article may sell the same or any part thereof and collect the proceeds, or such bonds may be delivered to the holder or holders of the bonds to be refunded in exchange therefor.

It is the intention of this article to authorize political divisions to issue bonds for the purpose of refunding outstanding bonds without thereby contracting any additional indebtedness, and it shall be conditional upon the delivery of any refunding bonds that the bonds to be refunded be canceled and paid simulta-

neously with the issuance and delivery of such refunding bonds: Provided, That such refunding bonds shall be issued in an amount sufficient to effect the refunding and may include an amount sufficient to pay (1) the principal amount outstanding of the bonds to be refunded, (2) interest accrued or to accrue to the date of maturity or the date of redemption of the bonds to be refunded (which need not necessarily be on the first available redemption date), (3) any redemption premiums to be paid thereon, (4) any reasonable expenses incurred in connection with such refunding and (5) any other reasonable costs deemed appropriate by the state, including without limitation, the expenses of preparing and delivering the refunding bonds, legal fees, financial advisor fees, consultant fees, and other expenses incurred in connection with the issuance, sale and delivery of the refunding bonds.

For all purposes of this section, bonds shall be considered to have been canceled and paid in advance of their due date or date of redemption if there shall have been deposited with the West Virginia municipal bond commission either:

(a) Moneys, sufficient to pay when and as due at maturity or prior redemption all amounts of principal, redemption premium, if any, and interest payable on such bonds; or

(b) Direct obligations of the United State of America or the state of West Virginia, or obligations fully and irrevocably secured as to the payment of both principal and interest by such direct obligations, the payment on which when due will provide moneys, sufficient to pay when and as due at maturity or prior redemption all amounts of principal, redemption premium, if any, and interest payable on such bonds.

All such amounts shall be set aside and held in trust and irrevocably dedicated solely to the payment of such bonds, except that amount in excess of the amounts required for the payment of the bonds so refunded may be applied to the payment of costs related to the issuance, carrying, insuring or servicing the refunding bonds, including costs of credit or market enhancement services, such as letters of credit, remarketing arrangements and similar services. Any amount deposited pursuant to this section may include amounts already held on deposit by the West Virginia municipal bond commission for the payment of the bonds to be refunded.

Acts 1925, c. 46, § 7; Acts 1937, c. 118; Acts 1984, c. 25; Acts 1994, c. 13.

Library References

Key Numbers

Counties ⟹175.
Municipal Corporations ⟹913.
Schools ⟹97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

Unissued original bonds 1
Use of excess funds 2

1. Unissued original bonds

Where school board presents a financing plan that includes refunding bonds and an additional amount of unissued original bonds, aggregate of the principal and interest payments made on original bonds prior to their refunding, when added to amounts to be paid on refunding bonds and any outstanding original bonds that are issued but not refunded, cannot exceed original indebtedness authorized by the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

Where a bond-issuing authority has been unable to market all of its original bond issue and is unable to complete the project financed by the bond issue, it may utilize for the project any unencumbered funds in its account with the Bond Commission as a part of a refunding bond plan to complete the original project. Code, 13-3-9(c). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 92(1)

2. Use of excess funds

Statute authorizing transfer of funds remaining from liquidation of school bonds to school current fund does not preclude use of excess money from an escrow fund established with the Bond Commission and derived from sale of refunding bonds under the Bond Refunding Act, as long as the board complies with subsection of the Act enabling bond-issuing authority to withdraw excess funds held by the Bond Commission that are not needed to liquidate original bond issue; such funds can be spent on school improvements when they are made a part of a refunding bond plan for school improvements, and it is only when last bond has been retired that any excess funds then remaining are turned back to the school board to the credit of its school current fund. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

School board's plan to spend some excess money from sale of refunding bonds on school improvements was not improper. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

School board's plan to spend some excess money from sale of refunding bonds on school improvements was not improper. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

Section of Bond Refunding Act providing that money received from sale of refunding bonds shall be set aside and held in trust and irrevocably dedicated solely to payment of such bonds, except that excess of amounts required for payment of bonds so refunded may be applied to payment of costs, was intended to enable school board to spend any excess money on expenses directly resulting from issuance of the refunding bonds, but does not foreclose the school board from utilizing any excess money for real purpose of the project for which bonds were issued, which was for school building improvements. Code, 13-2-4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

§ 13-2-5. Article sufficient authority for issuing refunding bonds

This article shall, without reference to any other act of the legislature, be full authority for the issuance, sale and exchange of bonds in this article authorized. No order, ordinance, resolution or proceeding in respect to the issuance of any bonds hereunder shall be necessary except such as are required by this article. No publication of any notice, order, ordinance or proceeding relating to the issuance of such bonds shall be necessary.

Acts 1925, c. 46, § 8.

Library References

Key Numbers

Counties ⟹175.
Municipal Corporations ⟹913.
Schools ⟹97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

§ 13–2–6. Issuance without election or notice

The issuance and sale of exchange bonds in this article authorized may be had without an election or publication of any notice.

Acts 1925, c. 46, § 9; Acts 1937, c. 118.

Library References

Key Numbers

Counties ⟹178.
Municipal Corporations ⟹918.
Schools ⟹97(4).
Westlaw Key Number Searches: 104k178; 268k918; 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1664, 1672.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

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1. In general

As long as school board's refunding bond plan fell within total obligation authorized by voters pursuant to approval of original bond issue, it does not require voter approval or impinge upon mandate of the voters. Code, 13–2–1 to 13–2–9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

§ 13–2–7. Invalidity of part of article not to affect other parts

If any clause, sentence, paragraph or part of this article shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of the article, but shall be confined in its application to the clause, sentence, paragraph or part thereof directly involved in the controversy in which such judgment has been rendered.

Acts 1925, c. 46, § 10.

§ 13–2–8. Bonds exempt from taxation

All bonds of the State of West Virginia or of any political subdivision thereof issued hereunder shall be exempt from all taxation by the State or by any political subdivision thereof.

Cross References

Bond issues for original indebtedness, bonds exempt from taxation, see § 13–1–33.

Library References

Key Numbers

Taxation ⟹218.
Westlaw Key Number Search: 371k218.

Encyclopedias

C.J.S. Taxation § 260.

§ 13–2–9. Funding of orders, drafts or warrants by county courts and boards of education at rate lower than six percent

County courts and boards of education may, upon the application of the owner or holder or holders, by an order entered of record, fund any indebtedness represented by orders, drafts, or warrants by taking up one or more of such orders, drafts, or warrants issued on the same fund, and issue in lieu thereof new orders, drafts or warrants to the person or persons entitled to

receive the sums of money due upon said orders, drafts, or warrants, and in which orders there shall be set out in detail the number of each order, draft, or warrant, the date thereof, to whom issued, the fund or funds on which drawn, the name of the present holder thereof, or the person or persons entitled to receive the sum due thereon, if interest-bearing the date from which interest began, the credits, if any endorsed thereon, and the date thereof, and such other information so as to completely identify the orders, drafts or warrants for which new orders, drafts or warrants are issued: Provided, however, That no power or authority herein given or contained shall be construed to make legal and binding any order, draft or warrant not legal and/or binding when originally ordered and/or issued by any county court or board of education. The court and/or boards shall, when the orders, drafts or warrants are interest-bearing, in issuing such new orders, drafts or warrants, issue them on the same fund upon which the original order, draft or warrant was issued and for the aggregate amount of unpaid principal and interest to that date, and cancel all such orders, drafts or warrants funded and file the same with the clerk of the county court of their county for preservation. All such new orders, drafts or warrants shall not become interest-bearing until the same shall have been presented to the sheriff for payment and endorsed as provided by law, and when so presented shall draw interest at five and one-half percent per annum.

Acts 1933, c. 43, § 1.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⚷164.

Westlaw Key Number Search: 104k164.

Encyclopedias

C.J.S. Counties § 208.