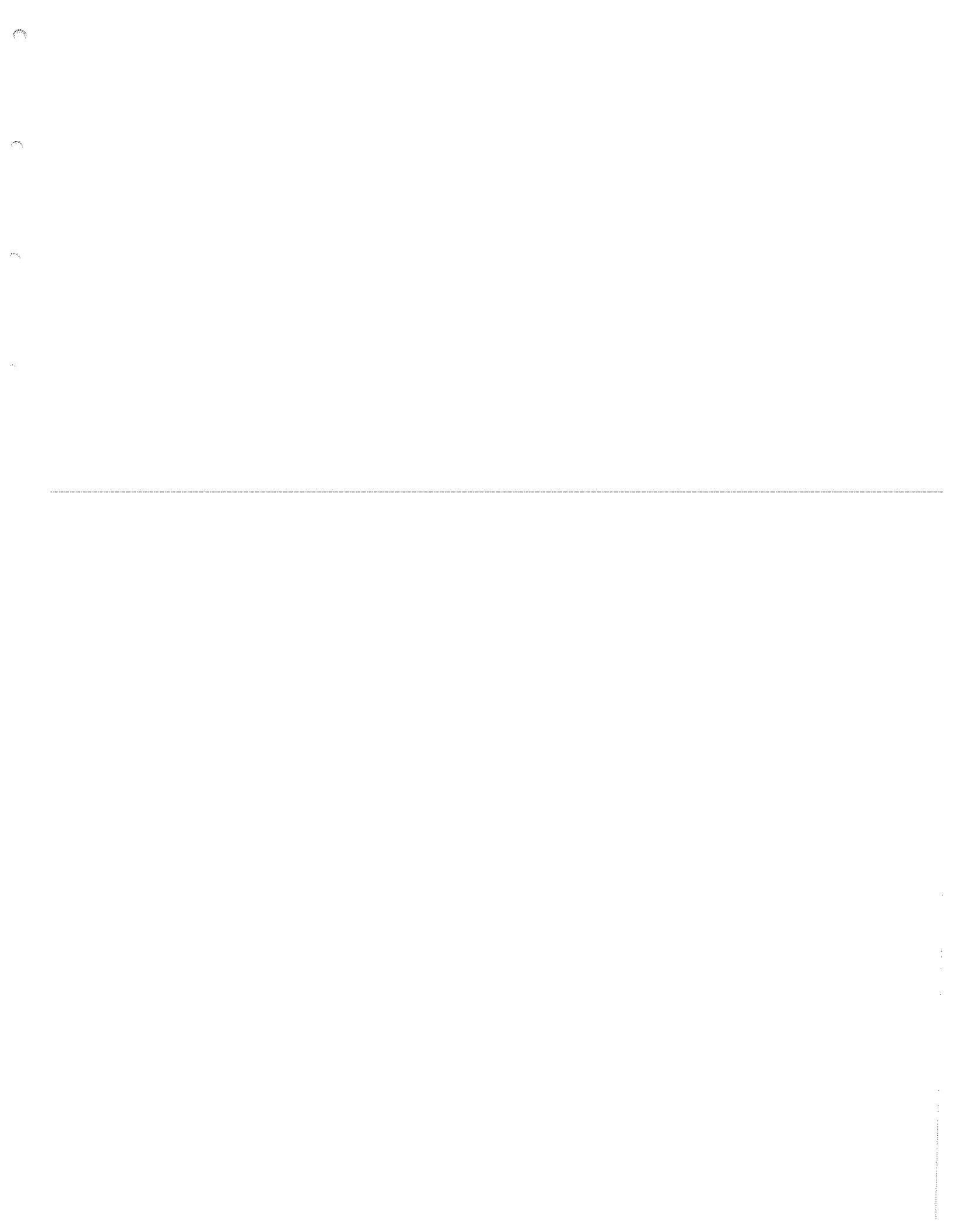


**\$16,100,000**  
**THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON**  
**(WEST VIRGINIA)**  
**PUBLIC SCHOOL BOND, SERIES 2008**

**Date Of Closing: SEPTEMBER 30, 2008**

**Approving Opinion**

**BOWLES RICE MCDAVID GRAFF & LOVE LLP**  
**600 QUARRIER STREET**  
**CHARLESTON, WEST VIRGINIA 25301**



**\$16,100,000**

**THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
(WEST VIRGINIA)**

**PUBLIC SCHOOL BONDS, SERIES**

**DATE OF CLOSING: SEPTEMBER 30, 2008**

**BOND TRANSCRIPT**

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**AN ORDER OF THE BOARD OF EDUCATION  
OF THE COUNTY OF BRAXTON DIRECTING  
AN ELECTION TO BE HELD FOR THE PURPOSE OF  
SUBMITTING TO THE VOTERS OF BRAXTON COUNTY  
SCHOOL DISTRICT ALL QUESTIONS  
CONNECTED WITH THE CONTRACTING OF A DEBT AND THE ISSUING  
OF BONDS IN THE PRINCIPAL AMOUNT NOT TO EXCEED  
SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS  
(\$16,100,000)**

BE IT ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON: It appears to the Board of Education of the County of Braxton (hereinafter called "the Board") from the experience of the Board in operating the schools in the Braxton 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 deficiencies in the school building facilities presently existing which generally result in insufficient space, overcrowding, and a lack of efficiency. To correct these deficiencies, 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.
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 Twenty Three Million Eight Hundred Fifty One Thousand Dollars (\$23,851,000) for such purposes, including the proceeds of the sale of the Bonds in the amount not to exceed SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000) all for the general purpose of providing adequate, safe and convenient educational facilities for the School District. The issuance of the Bonds by the School District, following approval by the voters of the School District, is expressly conditioned upon the receipt by the School District of one or more grants from the West Virginia School Building Authority and/or other sources in an amount of not less than Seven Million Eight Hundred Thousand Dollars (\$7,800,000)
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 \$445,606,647 and valuation of each class of property within the School District is as follows:

Class I	\$3,788,355
Class II	\$146,721,970
Class III	\$255,171,113
Class IV	\$39,925,209
Total	<u>\$445,606,647</u>

5. The Board and the School District now has no outstanding bonded indebtedness. 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 \$22,280,000. Accordingly, additional Bonds in the amount of \$16,100,000 being less than five percent (5%) of the value of such taxable property as ascertained by the last assessments thereof for State and County taxes may be issued and sold without violating any constitutional or statutory provision.

6. Bonds in the denomination of \$5,000.00 each, or integral multiples thereof, aggregating up to \$16,100,000 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 and issuing said Bonds and all other questions properly connected therewith shall be submitted to the voters of the School District at the primary election to be held on the 13<sup>th</sup> day of May 2008, and the commissioners and clerks for holding said election, at each of the legally established voting precincts in Braxton County, shall be those commissioners and clerks designated, appointed and certified by the County Commission of Braxton County, West Virginia in connection with said special election.

8. The Bonds shall bear interest at a rate or rates not exceeding the rate of seven and no/100 percent (7.00%) 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 for a maximum term of twenty-one (21) years from the date thereof.

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 USCA 103 and 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 projects for which the proceeds of the Bonds, if authorized by the voters, are to be expended are as follows:

<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>
Frametown Elementary Construct two (2) classrooms, a mechanical room, kitchen addition and two (2) student restrooms.  Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting - interior/exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.	Existing Frametown Elementary School  Frametown, West Virginia	Bond Funds  \$2,590,775

<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>	
<p><b>Little Birch Elementary</b> Construct two (2) classrooms, two (2) student restrooms and mechanical room.</p> <p>Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.</p>	<p>Existing Little Birch Elementary School Little Birch, West Virginia</p>	Bond Funds	\$2,863,781
<p><b>Burnsville Elementary</b> Construct elevator and elevator connector</p> <p>Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment</p>	<p>Existing Burnsville Elementary School</p>	Bond Funds	\$3,114,833
<p><b>Braxton County Middle School</b> Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers</p>	<p>Existing Braxton County Middle School</p>	Bond Funds	\$1,346,810
<p><b>Braxton County High School</b> Renovations to include: new VCT flooring, base, painting – interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment</p>	<p>Existing Braxton County High School</p>	Bond Funds	\$3,368,122
<p><b>Davis Elementary</b> Constructions of two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical room and stairs.</p> <p>Renovations to include: restrooms, new lighting, flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, plumbing upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment.</p>	<p>Existing Davis Elementary School</p>	Bond Funds Grant Funds	\$1,602,979 \$3,263,783

<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>	
<b>Flatwoods Elementary School</b>	Existing Flatwoods Elementary School	Bond Funds	\$725,369
Construction of five (5) classrooms, physical education classroom, gym storage, two (2) student restrooms, mechanical room and kitchen addition		Grant Funds	\$2,865,702
Renovations to include: restrooms, new lighting and ceiling tiles, painting – interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.			
<b>Sutton Elementary School</b>	Existing Sutton Elementary School	Bond Funds	\$438,655
Constructions of two (2) classrooms, student restrooms and mechanical room		Grant Funds	\$1,670,515
Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting – interior/exterior, fire suppression system, window asbestos abatement exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, new furnishing and equipment, exterior ramp removal and sidewalk renovations and repairs			
<b>TOTAL PROPOSED BOND CALL:</b>		Project Costs:	\$23,851,324
		Costs of Issuance	\$ 48,676
		Third Party Funds:	<u>\$ 7,800,000</u>
		Total Proposed Bond Call	<u>\$16,100,000</u>

The above amounts are made up of the aggregate principal amount of the Bond issue in the sum of SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000).

The foregoing amounts include the costs of acquiring necessary lands, sites and rights-of-ways, if any, engineering and architectural costs, construction including but not limited to the cost of using county maintenance personnel, the costs and estimated costs of the issuance of the Bonds, interest during the construction of the Projects, and such other costs, fee, and expenses as may be necessary and/or properly incurred in carrying out the foregoing projects. All Handicapped and E.S.S.I.A. Title I expenditures are subject to written approval by the West Virginia Department of Education. If for any reason any one or more of the above enumerated projects cannot be constructed, carried out, or completed, the amount above set out for any such project and any sums remaining unused upon completion of any of the foregoing projects may be allocated by the Board in its discretion, to and expended for any one or more of the remaining projects set out above, 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, construction, renovation, improvement, furnishing, and/or equipping of the above enumerated projects, such additional money may be used either in substitution for or in addition to the proceeds of the sale of the Bonds proposed hereby, as may be determined by the Board and the granting body or agency, unless otherwise set forth in this Order.

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	<u>11.34</u> cents
Upon Class II Property approximately	<u>22.68</u> cents
Upon Class III Property approximately	<u>45.36</u> cents
Upon Class IV Property approximately	<u>45.36</u> 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 may, 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 may 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 BRAXTON 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 Braxton County at the special election to be held on May 13, 2008, of the question of whether the Board should incur debt and issue Bonds in an amount not to exceed \$16,100,000 for the purposes set forth in this order.

1. The commissioners and clerks appointed and certified for the purpose of the election shall be the same commissioners and clerks designated, appointed and certified by the County Commission and as adopted by a supplemental order of this Board.

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 *Braxton Citizens-News* and *Braxton Democrat-Central* which are newspapers of general circulation in the School District.

3. The ballot shall be in the form that follows:

**OFFICIAL BALLOT**  
**BRAXTON COUNTY BOARD OF EDUCATION**  
**SCHOOL BOND ELECTION**  
 May 13, 2008

Shall the Board of Education of the County of Braxton incur debt and issue bonds in the amount of \$16,100,000, maturities on such bonds to run not more than twenty-one (21) years from the date of such bonds, with interest not exceeding the rate of seven and no/100 per annum (7.00%), payable semiannually, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing and/or equipping the school buildings, facilities and structures in the Braxton County Public School District to provide adequate, safe and convenient facilities for the School District, namely:

<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>	
<p><b>Frametown Elementary</b>                      Construct two (2) classrooms, a mechanical room, kitchen addition and two (2) student restrooms.</p> <p>Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting – interior/exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.</p>	<p>Existing Frametown Elementary School                      Frametown, West Virginia</p>	<p>Bond Funds</p>	<p>\$2,590,775</p>
<p><b>Little Birch Elementary</b>                      Construct two (2) classrooms, two (2) student restrooms and mechanical room.</p> <p>Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.</p>	<p>Existing Little Birch Elementary School                      Little Birch, West Virginia</p>	<p>Bond Funds</p>	<p>\$2,863,781</p>
<p><b>Burnsville Elementary</b>                      Construct elevator and elevator connector</p> <p>Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment</p>	<p>Existing Burnsville Elementary School</p>	<p>Bond Funds</p>	<p>\$3,114,833</p>

<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>	
<b>Braxton County Middle School</b> Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers	Existing Braxton County Middle School	Bond Funds	\$1,346,810
<b>Braxton County High School</b> Renovations to include: new VCT flooring, base, painting - interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment	Existing Braxton County High School	Bond Funds	\$3,368,122
<b>Davis Elementary</b> Constructions of two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical room and stairs. Renovations to include: restrooms, new lighting, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, plumbing upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment.	Existing Davis Elementary School	Bond Funds Grant Funds	\$1,602,979 \$3,263,783
<b>Flatwoods Elementary School</b> Construction of five (5) classrooms, physical education classroom, gym storage, two (2) student restrooms, mechanical room and kitchen addition Renovations to include: restrooms, new lighting and ceiling tiles, painting - interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.	Existing Flatwoods Elementary School	Bond Funds Grant Funds	\$725,369 \$2,865,702
<b>Sutton Elementary School</b> Constructions of two (2) classrooms, student restrooms and mechanical room Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, window asbestos abatement exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, new furnishing and equipment, exterior ramp removal and sidewalk renovations and repairs	Existing Sutton Elementary School	Bond Funds Grant Funds	\$438,655 \$1,670,515
<b>TOTAL PROPOSED BOND CALL:</b>		Project Costs: Costs of Issuance Third Party Funds: Total Proposed Bond Call	\$23,851,324 \$ 48,676 <u>\$ 7,800,000</u>  <u>\$16,100,000</u>

The above amounts are made up of the aggregate principal amount of the Bond issue in the sum of SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000).

The foregoing amounts include the costs of acquiring necessary lands, sites and rights-of-way, if any, engineering and architectural costs, including but not limited to the cost of using County maintenance personnel, the costs and estimated costs of the issuance of the Bonds, interest during the construction of the Projects, and such other costs, fees, and expenses as may be necessary and/or properly incurred in carrying out the foregoing projects. All Handicapped and E.S.S.I.A. Title 1 expenditures are subject to written approval by the West Virginia Department of Education. If for any reason any one or more of the above enumerated projects cannot be constructed, carried out, or completed, the amount above set out for any such project and any sums remaining unused upon completion of any of the foregoing projects may be allocated by the Braxton County Board of Education in its discretion, to and expended for any one or more of the remaining projects set out above, as provided by Section 6(a) Article 1, Chapter 13, of the Code of West Virginia, 1931, as amended. The amount of the Bond issue reflects the School District having received one or more grants from the West Virginia School Building Authority and/or sources in an amount not less than Seven Million Eight Hundred Thousand Dollars (\$7,800,000) for use the renovations and improvements at the Braxton West High School, the receipt of which sum is a condition precedent to the resource of the Bonds. In the event the Braxton County Board of Education 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, construction, renovation, improvement, furnishing, and/or equipping of the above enumerated projects, such additional money may be used either in substitution for or in addition to the proceeds of the sale of the bonds proposed hereby, as may be determined by said Board and the granting body or agency.

Yes (For the Bond Issue.)

No (Against the Bond Issue.)

#### NOTICE TO VOTERS:

To vote in favor of the proposition (for the Bond Issue) submitted on this ballot, mark an "X" in the box next to "Yes."

To vote against the proposition (against the Bond Issue), mark an "X" in the box next to "No".

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 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 Braxton, and said Clerk is hereby appointed the agent for the Board to perform all duties relating to absentee ballots in a 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 Braxton County as the official registration list of the School District for this election.

Adopted on the 9<sup>th</sup> day of February 2008.

THE BOARD OF EDUCATION OF THE  
COUNTY OF BRAXTON

By: Emmet F. Moore  
President

By: Elizabeth M. Stewart  
Member

By: Tom Hepler  
Member

By: John Campbell  
Member

By: Kathie S. Park  
Member

ATTEST:

Carlynn H. Long  
Secretary

Given under my hand this 27<sup>th</sup> day of February 2008.

Carlynn H. Long  
Secretary of the Board of Education of the County of Braxton



POLL WORKERS  
MAY 13, 2008 PRIMARY ELECTION

PRECINCT # 1 LOCATION FRAMETOWN DISTRICT SOUTHERN

PARTY POSITION

NAME

ADDRESS

PHONE

	PARTY POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	SHERRY E. CANTER P O BOX 456 FRAMETOWN, WV 26623	364-4322
D	RECEIVING COMM.	PATRICIA L. FUSSELL P O BOX 311 FRAMETOWN, WV 26623	364-4210
D	RECEIVING CLERK	CAROLYN J. HOOVER 702 N 3 <sup>RD</sup> ST SUTTON, WV 26601	765-5660
R	RECEIVING COMM.	BETTY G. COX HC 84 BOX 74 B FRAMETOWN, WV 26623	765-2801
R	RECEIVING CLERK	TARA S. WILSON HC 84 BOX 28 FRAMETOWN, WV 26623	364-5519
D	COUNTING COMM.	RONALD W. MILLER HC 84 BOX 37 FRAMETOWN, WV 26623	364-5547
D	COUNTING COMM.	AUDRY IRENE CUNNINGHAM 120 ERBACON RD SUTTON, WV 26601	765-5532
D	COUNTING CLERK	ALLISON K. FRAME 50 FRAME MTN. SUTTON, WV 26601	765-7589
R	COUNTING COMM.	BONNIE J. JONES HC 84 BOX 20 A FRAMETOWN, WV 26623	364-2237
R	COUNTING CLERK	LISA D. JONES HC 62 BOX 13 GASSAWAY, WV 26624	364-5886

POLL WORKERS  
MAY 13, 2008 PRIMARY ELECTION

PRECINCT # 3 LOCATION STRANGE CREEK DISTRICT SOUTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	MELISSA ROSE 166 WENDY FORK RD SUTTON, WV 26601	765-7068
D	RECEIVING COMM.	BRANTIE H. NOTTINGHAM HC 74 BOX 114 STRANGE CREEK, WV 25063	364-8461
D	RECEIVING CLERK	LINDA D. WALKER HC 61 BOX 69 FRAMETOWN, WV 26623	364-8708
R	RECEIVING COMM.	CAROLYN M. MILLER RR1 BOX 23 FRAMETOWN, WV 26623	364-4632
R	RECEIVING CLERK	DAISY J. DENNISON HC 69 BOX 30 CLEM, WV	678-3403
D	COUNTING COMM.	REBECCA A. HARDWAY HC 71 BOX 875 DUCK, WV 25063	364-5327
D	COUNTING COMM.	LINDA L. DOBBINS HC 69 BOX 34 FRAMETOWN, WV 26623	364-2665
D	COUNTING CLERK	MINNIE J. NOTTINGHAM HC 74 BOX 114 STRANGE CREEK, WV 25063	364-8461
R	COUNTING COMM.	MAHALA NOTTINGHAM HC 74 BOX 116 STRANGE CREEK, WV 25063	364-8123
R	COUNTING CLERK	JUSTIN E. NOTTINGHAM RT. 4 BOX 18 FRAMETOWN, WV 26623	364-8674



POLL WORKERS  
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PRECINCT # 9 LOCATION FRAMETOWN DISTRICT SOUTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	JOSHUA PORTO 2650 CENTRALIA RD SUTTON, WV 26601	364-3090
D	RECEIVING COMM.	DEBRA V. HAMRIC HC 69 BOX 10 GLENDON, WV 26623	364-8353
D	RECEIVING CLERK	LUCILLE V. BOONE RT. 1 BOX 20 FRAMETOWN, WV 26623	364-8358
R	RECEIVING COMM.	KYLIE N. LANCASTER RT. 4 BOX 18 FRAMETOWN, WV 26623	364-8674
R	RECEIVING CLERK	LILLIAN DENNISON HC 69 BOX 30 CLEM, WV 26623	364-5589
D	COUNTING COMM.	RICHARD L. BARNETTE SR. P O BOX 261 LITTLE BIRCH, WV 26629	765-7945
D	COUNTING COMM.	VERA G. JOHNSON RT. 1 BOX 142A FRAMETOWN, WV 26623	364-2201
D	COUNTING CLERK	HELEN M. JARVIS P O BOX 322 FRAMETOWN, WV 26623	364-5253
R	COUNTING COMM.	JENNIFER M. SHORT RT. 1 BOX 23 WILSIE, WV 26624	364-4632 678-9535
R	COUNTING CLERK	TONYA L. NOTTINGHAM HC 74 BOX 116 STRANGE CREEK, WV 25063	364-8123

POLL WORKERS  
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PRECINCT # 12 LOCATION SUTTON COURTHOUSE DISTRICT EASTERN

PARTY POSITION      NAME  
ADDRESS      PHONE

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	BARBARA J. BARKER P O BOX 441 SUTTON, WV 26601	765-3710
D	RECEIVING COMM.	RONALD R. HALL 180 LOCUST ESTATES SUTTON, WV 26601	765-7749
D	RECEIVING CLERK	HOLLY L. RILEY 440 FLOYD DR LITTLE BIRCH, WV 26629	765-7078
R	RECEIVING COMM.	FRANCIS G. CRITES 204 E STONEWALL ST SUTTON, WV 26601	765-7153
R	RECEIVING CLERK	ARLENE B. CRITES 204 E STONEWALL ST SUTTON, WV 26601	765-7153
D	COUNTING COMM.	JAMES T. KINDER 2745 VERNON RD, FLATWOODS, WV 26621	765-7634
D	COUNTING COMM.	CHARLES CLAYPOOLE 1551 OLD WOMANS RUN SUTTON, WV 26601	765-5042
D	COUNTING CLERK	ROBERTA DIANE FACEMIRE 194 ERBACON RD SUTTON, WV 26601	765-5694
R	COUNTING COMM.	HOWARD O HOKE 75 MILROY RD FLATWOODS, WV 26621	765-7766
R	COUNTING CLERK	BARBARA A HOKE 75 MILROY RD FLATWOODS, WV 26621	765-7766

POLL WORKERS  
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PRECINCT # 13 LOCATION NEWVILLE DISTRICT EASTERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	PAULINE B. COGAR 400 NEWVILLE RD SUTTON, WV 26601	765-7506
D	RECEIVING COMM.	RENELL K. MOATS 3260 AIRPORT RD SUTTON, WV 26601	765-7077
D	RECEIVING CLERK	JOANNE BOSELY 25 BRUSH FORK RD SUTTON, WV 26601	765-7666
R	RECEIVING COMM.	PEGGY J HAMNER 370 BENS RUN RD SUTTON, WV 26601	765-5807
R	RECEIVING CLERK	PATTY A RICHARDSON 2950 AIRPORT RD SUTTON, WV 26601	765-0377
D	COUNTING COMM.	LAURA MAE BRIGHT 3490 AIRPORT RD, SUTTON, WV 26601	765-7412
D	COUNTING COMM.	VICKI F. GROFF 205 MCCLAIN RIDGE SUTTON, WV 26601	765-2019
D	COUNTING CLERK	CAROL L. HODGES 65 LOCUST HILL SUTTON, WV 26601	765-2524
R	COUNTING COMM.	VIRGINIA F. LUNCEFORD 1280 VERNON RD FLATWOODS, WV 26621	765-5596
R	COUNTING CLERK	JOAN R MAYSE 370 CAMDEN HILL HGTS SUTTON, WV 26601	765-7400

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PRECINCT # 14      LOCATION CENTRALIA      DISTRICT EASTERN

PARTY    POSITION      NAME      ADDRESS      PHONE

PARTY	POSITION	NAME	ADDRESS	PHONE
D	RECEIVING COMM.	PAM MACE	2650 CENTRALIA RD SUTTON, WV 26601	765-3090
D	RECEIVING COMM.	RUTH E. HERRON	P O BOX 674 SUTTON, WV 26601	765-7081
D	RECEIVING CLERK	LUKE JOHNSON	1229 OLD WOMANS RUN SUTTON, WV 26601	266-4358
R	RECEIVING COMM.	CINDY BARKER	2441 ERBACON RD SUTTON, WV 26601	765-7519
R	RECEIVING CLERK	VERNON H. JOHNSON	1229 OLD WOMANS RD SUTTON, WV 26601	765-5167
D	COUNTING COMM.	IZETTA B. WARE	3400 CENTRALIA RD SUTTON, WV 26601	765-3557
D	COUNTING COMM.	VALERIE D. JARVIS	740 EXCHANGE RD SUTTON, WV 26601	765-2785
D	COUNTING CLERK	BARBARA J. TURNER	1270 BAKERS RUN SUTTON, WV 26601	765-5140
R	COUNTING COMM.	JOYCELYN KAY FRITZ	1500 BARKER RIDGE SUTTON, WV 26601	765-7926
R	COUNTING CLERK	PAUL A. BEATTY	P O BOX 190 FLATWOODS, WV 26621	765-5568

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PRECINCT # 15 LOCATION LITTLE BIRCH DISTRICT SOUTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	HERBERT K. FLOYD 430 FLOYD DR. LITTLE BIRCH, WV 26629	765-2971
D	RECEIVING COMM.	PATTY M. MOLLOHAN P O BOX 61 LITTLE BIRCH, WV 26629	765-2474
D	RECEIVING CLERK	ANNA FAYE MOLLOHAN 2291 CRITES MT. RD LITTLE BIRCH, WV 26629	765-2604
R	RECEIVING COMM.	AUTUMN J. GASTON 1560 OTR SUTTON, WV 26601	765-5237
R	RECEIVING CLERK	ROSANNA DENNISON HC 69 BOX 30 CLEM, WV 26623	304-619-5823
D	COUNTING COMM.	TRULA MICHELLE COEN 75 DEAN DR. SUTTON, WV 26601	765-7102
D	COUNTING COMM.	CATHY S. GEORGE 98 LOCUST ESTATE SUTTON, WV 26601	765-5323
D	COUNTING CLERK	BARBARA E. COFFMAN P O BOX 37 LITTLE BIRCH, WV 26629	765-2049
R	COUNTING COMM.	JACK M. BOONE HC 85 BOX 24 FRAMETOWN, WV 26623	
R	COUNTING CLERK	SHERLIA D. HARRIS 1810 VERNON RD, FLATWOODS, WV 26621	765-2236

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PRECINCT # 16 LOCATION FLATWOODS DISTRICT EASTERN

PARTY POSITION

NAME

ADDRESS

PHONE

	PARTY POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	NELVA O. SQUIRES 2418 SUTTON LANE SUTTON, WV 26601	765-7060
D	RECEIVING COMM.	HOLLY N. JORDAN P O BOX 183 FLATWOODS, WV 26621	765-5253
D	RECEIVING CLERK	NELVIA L. JORDAN P O BOX 252 FLATWOODS, WV 26621	765-7619
R	RECEIVING COMM.	BETTY MAE BRIGHT 20 DEAN DR SUTTON, WV 26601	765-7637
R	RECEIVING CLERK	MELISSA CULVERHOUSE 1128 STONE RUN RD FLATWOODS, WV 26621	765-5706
D	COUNTING COMM.	VIRGINIA E. ANDERSON P O BOX 252 FLATWOODS, WV 26621	765-7619
D	COUNTING COMM.	BETTY SUE SINGLETON P O BOX 15 HEATERS, WV 26627	765-7054
D	COUNTING CLERK	BETTY A. LEHMAN 79 OAK LEAF DR SUTTON, WV 26601	765-3245
R	COUNTING COMM.	LAURA G. BROWN P O BOX 202 FLATWOODS, WV 26621	765-5302
R	COUNTING CLERK	LORETTA J. MAYSE 285 CEDAR ST. FLATWOODS, WV 26621	765-3077

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PRECINCT # 19 LOCATION SUTTON FIRE DEPT. DISTRICT EASTERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	SHIRLEY F. DENNISON 103 PINEHURST AVE SUTTON, WV 26601	765-5720
D	RECEIVING COMM.	NANCY A. HALL 180 LOCUST ESTATES SUTTON, WV 26601	765-7749
D	RECEIVING CLERK	VICTORIA A. FACEMIRE 1175 BUG RIDGE SUTTON, WV 26601	765-2205
R	RECEIVING COMM.	ELVA POSEY 502 N 1 <sup>ST</sup> ST SUTTON, WV 26601	765-7752
R	RECEIVING CLERK	TWILA J. BEATTY P O BOX 190 FLATWOODS, WV 26621	765-5568
D	COUNTING COMM.	EVELYN L. JARRELL 1500 HEROLD RD. SUTTON, WV 26601	765-5809
D	COUNTING COMM.	STEPHEN S. STEPTO 275 A HEROLD RD SUTTON, WV 26601	765-7180
D	COUNTING CLERK	SHIRLEY M. MILLER HC 62 BOX 175 GASSAWAY, WV 26624	364-8837
R	COUNTING COMM.	MELANIE MCMILLION HC 35 BOX 11AA NAPIER, WV 26631	765-3777
R	COUNTING CLERK	BETTY J. JOHNSON 1229 OLD WOMANS RUN SUTTON, WV 26601	765-5167

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PRECINCT # 23 LOCATION GASSAWAY FIRE DEPT DISTRICT WESTERN

PARTY POSITION      NAME  
ADDRESS      PHONE

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	CLIFFORD PIERSON 3202 HEROLD RD SUTTON, WV 26601	765-7754
D	RECEIVING COMM.	JULIA L. SINGLETON 380 CUTLIP FORK GASSAWAY, WV 26624	364-4271
D	RECEIVING CLERK	LINDA J. DOBBINS P O BOX 265 GASSAWAY, WV 26624	364-8800
R	RECEIVING COMM.	ENID RUTH MOWERY 420 PINE ST GASSAWAY, WV 26624	364-2245
R	RECEIVING CLERK	SHERYL D. WAYNE HC 62 BOX 121-A GASSAWAY, WV 26624	364-5550
D	COUNTING COMM.	CAROLYN H. LITTON 208 HIGHLAND ST. GASSAWAY, WV 26624	364-5705
D	COUNTING COMM.	DAVID R. SINGLETON 380 CUTLIP FORK GASSAWAY, WV 26624	364-4271
D	COUNTING CLERK	MARY EVA CRIGGER HC 62 BOX 51 GASSAWAY, WV 26624	364-2461
R	COUNTING COMM.	SHEILA K. POWERS 16 DAVISON RD GASSAWAY, WV 26624	364-5234
R	COUNTING CLERK	AMANDA JEAN GUM HC 72 BOX 10 GASSAWAY, WV 26624	364-4286

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PRECINCT # 24 LOCATION ARMORY DISTRICT EASTERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	ANDREW W. FACEMIRE 306 N 5 <sup>TH</sup> ST SUTTON, WV 26601	765-2325
D	RECEIVING COMM.	CAROLYN L. FOX 111 N LAUREL ST SUTTON, WV 26601	765-7574
D	RECEIVING CLERK	DARLENE F. STEWART 115 CANOE RUN RD GASSAWAY, WV 26624	364-2402
R	RECEIVING COMM.	I J COTTRILL 119 HIGHLAND ST. GASSAWAY, WV 26624	364-5909
R	RECEIVING CLERK	CINDY K. GASTON 1560 OTR SUTTON, WV 26601	765-5237
D	COUNTING COMM.	WILMA I. CRITES 1904 OTR SUTTON, WV 26601	765-5250
D	COUNTING COMM.	VIRGINIA L. SHAVER 737 STATE ST. GASSAWAY, WV 26624	364-5367
D	COUNTING CLERK	ETHEL M. LOYD 151 EXCHANGE RD SUTTON, WV 26601	765-5993
R	COUNTING COMM.	ROSEMARY CASTO 325 S FRANKLIN AVE SUTTON, WV 26601	765-7011
R	COUNTING CLERK	HAZEL RIFFLE P O BOX 621 SUTTON, WV 26601	765-5156

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PRECINCT # 25 LOCATION CANFIELD DISTRICT SOUTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	EDITH E. CUNNINGHAM P O BOX 195 LITTLE BIRCH, WV 26629	765-2094
D	RECEIVING COMM.	EVELYN COLLEEN JARVIS 3251 HEROLD RD SUTTON, WV 26601	765-2590
D	RECEIVING CLERK	DEBORAH L. WESTFALL 287 N BAXTER ST. SUTTON, WV 26601	765-7430 644-1956
R	RECEIVING COMM.	PEGGY J. MILLER HC 84 BOX 24 C FRAMETOWN, WV 26623	364-8610
R	RECEIVING CLERK	SARAH L. CARPENTER RT. 1 BOX 36 WILSIE, WV 26641	364-5462
D	COUNTING COMM.	ZIRL D. BURGE 4846 OTR LITTLE BIRCH, WV 26629	765-2294
D	COUNTING COMM.	JULIA A. BURGE 4846 OTR LITTLE BIRCH, WV 26629	765-2294
D	COUNTING CLERK	KIMBERLY SUE CLIFTON 2286 CRITES MTN RD LITTLE BIRCH, WV 26629	765-2994
R	COUNTING COMM.	TERRI GATES 516 CHURCH DR SUTTON, WV 26601	765-7184
R	COUNTING CLERK	WILMA J. DAVIS 2875 HAROLD RD SUTTON, WV 26601	765-3229

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PRECINCT # 26 LOCATION GASSAWAY MAYOR'S OFC DISTRICT WESTERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	GRETHEL E. NARDELLA 601 BRAXTON ST. GASSAWAY, WV 26624	364-5355
D	RECEIVING COMM.	NETTIE MARIE SINGLETON 211 CUTLIP FORK GASSAWAY, WV 26624	364-2683
D	RECEIVING CLERK	ALICE E. WILLIAMS 510 BRAXTON ST. GASSAWAY, WV 26624	364-8045
R	RECEIVING COMM.	ANITA KAY JOHNSTON 417 BRAXTON ST GASSAWAY, WV 26624	364-8693
R	RECEIVING CLERK	ANGELA FRIEND HC 63 BOX 18 EXCHANGE, WV 26691	765-2831
D	COUNTING COMM.	ERICA BUTLER 200 BEALL DR. LOT 20 GASSAWAY, WV 26624	765-4279
D	COUNTING COMM.	E MAE JAMES 950 RIVERSIDE DR GASSAWAY, WV 26624	364-5364
D	COUNTING CLERK	VIRGINIA SUE GUMP HC 62 BOX 115 GASSAWAY, WV 26624	364-2259
R	COUNTING COMM.	MARY LOU BOLLINGER HC 62 BOX 136 GASSAWAY, WV 26624	364-8859
R	COUNTING CLERK	ROSE CATHERINE GUNTER 715 RIVER ST. GASSAWAY, WV 26624	364-5472

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PRECINCT # 27 LOCATION CHAPEL DISTRICT WESTERN

PARTY POSITION NAME ADDRESS PHONE

PARTY	POSITION	NAME	ADDRESS	PHONE
D	RECEIVING COMM.	GLENN BELKNAP	1714 CHAPEL RD GASSAWAY, WV 26624	364-8385
D	RECEIVING COMM.	PAULETTE A. LONG	HC 72 BOX 60 1/2 GASSAWAY, WV 26624	364-4053
D	RECEIVING CLERK	SUSAN LOUISE WILLIAMS	111 CURTIN TOWN RD SUTTON, WV 26601	678-8466
R	RECEIVING COMM.	ANNA WITMAN	RT. 1 BOX 36 STRANGE CREEK, WV 25063	765-7312
R	RECEIVING CLERK	BONNIE G. BENDER	605 STRAIGHT FORK GASSAWAY, WV 26624	364-2640
D	COUNTING COMM.	LENA G. PARSONS	1455 CHAPEL RD GASSAWAY, WV 26624	364-5577
D	COUNTING COMM.	CINDY L. HALL	1176 CHAPEL RD GASSAWAY, WV 26624	364-2246
D	COUNTING CLERK	JUDY K. SATTLER	2571 CHAPEL RD GASSAWAY, WV 26624	364-8564
R	COUNTING COMM.	VANESSA M. VAUGHAN	110 GRASS LICK GASSAWAY, WV 26624	364-4225
R	COUNTING CLERK	RICHARD H. BENDER	410 STRAIGHT FORK GASSAWAY, WV 26624	364-2640

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PRECINCT # 28 LOCATION EXCHANGE DISTRICT NORTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	TYLER JACOBSEN HC 63 BOX 36 EXCHANGE, WV 26619	765-3282
D	RECEIVING COMM.	KIMBERLY D. VARNEY 600 TUNNEL FORK GASSAWAY, WV 26624	364-4377
D	RECEIVING CLERK	HENRY JACK HC 36 BOX 78 EXCHANGE, WV 26619	765-7010
R	RECEIVING COMM.	DONNA P. BUTLER HC 36 BOX 47 EXCHANGE, WV 26619	765-2639
R	RECEIVING CLERK	VIRGINIA S. CARR HC 62 BOX 7 GASSAWAY, WV 26624	364-8985
D	COUNTING COMM.	IDA M. FINCHAM HC 60 BOX 5 EXCHANGE, WV 26619	765-2133
D	COUNTING COMM.	FAITH M. BURGE 540 EXCHANGE RD SUTTON, WV 26601	765-7418
D	COUNTING CLERK	DOLLY JACK HC 36 BOX 78 EXCHANGE, WV 26619	765-7010
R	COUNTING COMM.	DAVID B. FRIEND HC 63 BOX 55 EXCHANGE, WV 26619	765-7376
R	COUNTING CLERK	SHIRLEY S. CUTLIP HC 36 BOX 7 EXCHANGE, WV 26619	765-2431

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PRECINCT # 32 LOCATION GASSAWAY SENION CENTER DISTRICT WESTERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	DOLORES J. HARDWAY 721 ELK ST GASSAWAY, WV 26624	364-5193
D	RECEIVING COMM.	MARGARET A. MOORE 532 KANAWHA ST. GASSAWAY, WV 26624	364-2638
D	RECEIVING CLERK	LILLIAN L. BENNETT 223 BIRCH ST GASSAWAY, WV 26624	364-2333
R	RECEIVING COMM.	RUBY M. ROLLYSON HC 62 BOX 197 GASSAWAY, WV 26624	364-4150
R	RECEIVING CLERK	HELEN L. TRAUGH 226 BIRCH ST. GASSAWAY, WV 26624	364-5552
D	COUNTING COMM.	MARIAN V. JAMES 342 CHAPEL RD GASSAWAY, WV 26624	364-5088
D	COUNTING COMM.	NEVA C. BICKEL 112 STATE ST. GASSAWAY, WV 26624	364-5284
D	COUNTING CLERK	BETTY J. SCHIEFER 314 BIRCH ST GASSAWAY, WV 26624	364-5413
R	COUNTING COMM.	GOLDIE POWERS 224 BIRCH ST GASSAWAY, WV 26624	364-8889
R	COUNTING CLERK	RUTH ANN SAMPLES HC 61 BOX 59 FRAMETOWN, WV 26623	364-5487

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PRECINCT # 36 LOCATION BURNSVILLE SENIOR CENTER DISTRICT NORTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	ROBERTA A. BUTLER P O BOX 71 BURNSVILLE, WV 26335	853-2332
D	RECEIVING COMM.	LINDA J. DEAN HC 35 BOX 50 BURNSVILLE, WV 26335	853-2647
D	RECEIVING CLERK	CASSIE J. MACKEY P O BOX 56 BURNSVILLE, WV 26335	853-2563
R	RECEIVING COMM.	JAKE B. LOYD 151 EXCHANGE RD SUTTON, WV 26601	765-5993
R	RECEIVING CLERK	CASEY L. RAMSEY RT. 1 BOX 3D ORLANDO, WV 26412	853-2004 517-8459
D	COUNTING COMM.	WANDA L. SINGLETON HC 35 BOX 3 BURNSVILLE, WV 26335	853-2669
D	COUNTING COMM.	CHARLOTTE J. MCDUGAL P O BOX 264 BURNSVILLE, WV 26335	853-2657
D	COUNTING CLERK	DANIELLE M. MOORE RT. 1 BOX 19G ORLANDO, WV 26412	577-0206
R	COUNTING COMM.	ROBERT H. MOORE RT 1 BOX 19G ORLANDO, WV 26412	577-0206
R	COUNTING CLERK	LUCY G. STALNAKER 460 STONE RUN RD FLATWOODS, WV 26621	765-7277

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PRECINCT # 37 LOCATION COPEN COMM. BLDG. DISTRICT NORTHERN

PARTY	POSITION	NAME	ADDRESS	PHONE
D	RECEIVING COMM.	BONNIE M. RIFFLE	HC 36 BOX A1-1 COPEN, WV 26615	853-2683
D	RECEIVING COMM.	MARGARET A. WILLEY	P O BOX 462 BURNSVILLE, WV 26335	853-2968
D	RECEIVING CLERK	MIKE STEWART	HC 60 BOX 29B BURNSVILLE, WV 26335	853-2925
R	RECEIVING COMM.	GARY W. WOLFORD	2305 EXCHANGE RD SUTTON, WV 26601	765-7176
R	RECEIVING CLERK	MARIA S. CUTLIP	HC 36 BOX 7 EXCHANGE, WV 26619	765-2431
D	COUNTING COMM.	SHIRLEY RIFFLE	HC 60 BOX 26 COPEN, WV 26615	853-2055
D	COUNTING COMM.	BONNIE M. GARRETT	1000 FLOWER RD FLOWER, WV 26611	462-7570
D	COUNTING CLERK	JAMES S. STEWART	HC 60 BOX 29 BURNSVILLE, WV 26335	678-8113
R	COUNTING COMM.	JESSICA A. LOWTHER	HC 72 BOX 44A IRELAND, WV 26376	452-8553
R	COUNTING CLERK	RAMONA ANN BOSELY	HC 72 BOX 45 IRELAND, WV 26376	452-8553

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PRECINCT # 38 LOCATION HEATERS COMM. BLDG. DISTRICT NORTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	BRENDA F. COFFMAN 25 COFFMAN CIRCLE SUTTON, WV 26601	765-5774
D	RECEIVING COMM.	VIRGINIA M. GREGORY P O BOX 44 HEATERS, WV 26627	765-7000
D	RECEIVING CLERK	IVA LOU EUBANK P O BOX 23 NAPIER, WV 26631	765-5432
R	RECEIVING COMM.	ELIZABETH L. JARRELL P O BOX 402 FLATWOODS, WV 26621	765-7429
R	RECEIVING CLERK	MARION O. LONG P O BOX 82 HEATERS, WV 26627	765-5497
D	COUNTING COMM.	EMOGENE SLAUGHTER 1340 GAULEY TURNPIKE FLATWOODS, WV 26621	644-4447
D	COUNTING COMM.	PAULENE H. RICHARDSON 1320 GAULEY TURNPIKE FLATWOODS, WV 26621	765-5331
D	COUNTING CLERK	HAROLD K. SKIDMORE HC 35 BOX 2 HEATERS, WV 26627	765-5965
R	COUNTING COMM.	PEARL A. BLAKE HC 65 BOX 5 HEATERS, WV 26627	765-2551
R	COUNTING CLERK	DORIS M. DRAKE 401 STONE RUN RD FLATWOODS, WV 26621	765-7508

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PRECINCT # 43 LOCATION FALLS MILLS DISTRICT NORTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	GENEVA M. KERR RT. 1 BOX 39 WALKERSVILLE, WV 26447	452-8328
D	RECEIVING COMM.	WANDA J. WIMER HC 72 BOX 24 IRELAND, WV 26346	452-8039
D	RECEIVING CLERK	KAREN F. HARPER HC 35 BOX 24 NAPIER, WV 26631	452-8509
R	RECEIVING COMM.	EVA P. BULL HC 72 BOX 30 IRELAND, WV 26376	452-8700
R	RECEIVING CLERK	KARRON P. LAKE HC 72 BOX 20 IRELAND, WV 26376	452-8638
D	COUNTING COMM.	JAMES F. BOSELY HC 35 BOX 45 IRELAND, WV 26376	452-8553
D	COUNTING COMM.	TIMBRA K. WILKINSON RT 35 BOX 23 NAPIER, WV 26631	452-8831
D	COUNTING CLERK	LINDA C. CLAYPOOLE HC 72 BOX 25A IRELAND, WV 26376	452-8075
R	COUNTING COMM.	VERMA L. WILLIAMS HC 35 BOX 51 NAPIER, WV 26631	452-8989
R	COUNTING CLERK	NETTIE GREGORY HC 72 BOX 17 IRELAND, WV 26376	452-8444

POLL WORKERS  
MAY 13, 2008 PRIMARY ELECTION

PRECINCT # 45 LOCATION BURNSVILLE MAYOR'S OFC DISTRICT NORTHERN

PARTY	POSITION	NAME ADDRESS	PHONE
D	RECEIVING COMM.	JOHNNY L. CONRAD RT. 1 BOX 22A ORLANDO, WV 26412	853-2933
D	RECEIVING COMM.	PHYLLIS M. CONRAD RR 1 BOX 22A ORLANDO, WV 26412	853-2933
D	RECEIVING CLERK	PAULINE V. RATLIFF RT. 1 BOX 1-B ORLANDO, WV 26412	853-2735
R	RECEIVING COMM.	CHRISTOPHER N. ROLLYSON RT. 1 BOX 50 BURNSVILLE, WV 26335	853-2423
R	RECEIVING CLERK	SANDRA LEE LILLY RT 1 BOX 36 WALKERSVILLE, WV 26447	452-8477
D	COUNTING COMM.	ARNOLD M. BENDER JR. RT. 1 BOX 19D ORLANDO, WV 26412	853-9024
D	COUNTING COMM.	ROGER A. CONRAD 200 LINDEN ST. GASSAWAY, WV 26624	364-5751
D	COUNTING CLERK	EVELYN M. DRAKE P O BOX 176 BURNSVILLE, WV 26335	853-2897
R	COUNTING COMM.	DEANNA YOST HC 60 BOX 96 COPEN, WV 26615	853-2676
R	COUNTING CLERK	ROBERT L. CRAVEN JR. 4516 CLOVER FORK RD ORLANDO, WV 26412	452-8319

Board of Canvassers' Certificate of Votes Cast
for Candidates at PRIMARY Election
Primary, Special, General

Office of County Commission. MAY 16 2008
Year

BRAXTON County, West Virginia.

To BRAXTON COUNTY COMMISSION
Carefully note Sec. 34-35, Art. 5, Ch. 3 of the Code

The Board of Canvassers of the County of BRAXTON

State of West Virginia, having carefully and impartially examined the returns of the Election held in
said county on the 13TH day of MAY 2008, do hereby certify that in
said County or District thereof at said election, on the official ballot of the NON-PARTISAN BALLOT

For the office of BOARD OF EDUCATION

Table with columns for Candidate Name, Received, and Votes. Includes entries for Roger W. Hall, James "Jimmy" Huffman, Michael C. Jackson, Ernie Moore, BOARD OF EDUCATION ADDITIONAL LEVIES, and BOARD OF EDUCATION SCHOOL BOND.

Given under our hands this 22ND day of MAY 2008
Year

A Certified copy, given this
27th day of May, 2008.

John D. Jordan, County Clerk

Handwritten signatures of J. M. Chapman and Crystal Grame

Claudia L. Jackson, Sr.
Board of Canvassers.



**BRAXTON COUNTY BOARD OF EDUCATION**  
**RESOLUTION AND ORDER DIRECTING ISSUANCE OF BONDS**

WHEREAS, the Board of Education of the County of Braxton (the "Issuer"), has heretofore, on the 19<sup>th</sup> day of February 2008, made and entered of record an order upon the question of authorizing bonds in the amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000) to be issued and sold for the purpose of providing funds for making certain improvements in Braxton County School District (the "District");

WHEREAS, partially in pursuance of said order an election was held on the 13<sup>th</sup> day of May 2008, 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 made by The County Commission of Braxton County, sitting as The Board of Canvassers of the County of Braxton, on the 19<sup>th</sup> day of May 2008 was 2609 votes for and 2407 votes against the issuance of said bonds; so that more than fifty percent (50%) of the voters, to wit, fifty-two and fourteen hundredths percent (52.014%) 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 BRAXTON AS FOLLOWS:

1. Bonds in the aggregate principal amount of \$16,100,000 (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 Project and payment therefore 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 percent (7.00%) per annum, payable semiannually, on May and November 1, commencing May 1, 2009, 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 \$485,000 due and payable May 1, 2010;  
Bonds in the amount of \$510,000 due and payable May 1, 2011;  
Bonds in the amount of \$535,000 due and payable May 1, 2012;  
Bonds in the amount of \$565,000 due and payable May 1, 2013;  
Bonds in the amount of \$590,000 due and payable May 1, 2014;  
Bonds in the amount of \$620,000 due and payable May 1, 2015;  
Bonds in the amount of \$655,000 due and payable May 1, 2016;  
Bonds in the amount of \$685,000 due and payable May 1, 2017;  
Bonds in the amount of \$720,000 due and payable May 1, 2018;  
Bonds in the amount of \$755,000 due and payable May 1, 2019;  
Bonds in the amount of \$795,000 due and payable May 1, 2020;  
Bonds in the amount of \$835,000 due and payable May 1, 2021;  
Bonds in the amount of \$875,000 due and payable May 1, 2022;  
Bonds in the amount of \$920,000 due and payable May 1, 2023;  
Bonds in the amount of \$965,000 due and payable May 1, 2024;  
Bonds in the amount of \$1,010,000 due and payable May 1, 2025;  
Bonds in the amount of \$1,065,000 due and payable May 1, 2026;  
Bonds in the amount of \$1,115,000 due and payable May 1, 2027;  
Bonds in the amount of \$1,170,000 due and payable May 1, 2028; and  
Bonds in the amount of \$1,230,000 due and payable May 1, 2029.

3. The Bonds may be subject to redemption prior to their stated dates of maturity at the option of the Issuer, on or after such date, in such order of redemption price or prices to be set forth in the Notice of Sale of the Bonds. The Issuer shall not levy taxes in connection with the redemption of any Bonds in excess of the taxes that would have been levied for the payment of principal of and interest on the Bonds in such year.

Whenever the Bonds shall be redeemed in part, in case a fully registered Bond is a denomination larger than \$5,000, a portion of such fully registered Bond (\$5,000 or any integral

multiple thereof) may be redeemed, but the Bonds shall be redeemed only in the principal amount of \$5,000 each or any integral multiple thereof.

Notice of the call for any such redemption identifying the Bonds to be redeemed shall be promulgated by the Paying Agent, as defined below, at the request of and on behalf and in the name of the Issuer by mailing a copy of the redemption notice by registered or certified mail at least thirty (30) days prior to the Date of Redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. Failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds.

Prior to the Date of Redemption, cash funds shall be placed with the Paying Agent to pay the principal amount of Bonds called, accrued interest thereon to the Date of Redemption and the required premium, if any. Upon the happening of the above conditions, the Bonds or portions thereof so designated for redemption shall become and be due and payable on the Date of Redemption at the applicable redemption price hereinabove specified, and from and after said date, unless default shall be made in the payment of the Bonds or portions thereof so designated for redemption shall cease to accrue and interest coupons maturing after the Date of Redemption shall become void, and the same shall not be deemed to be outstanding.

Upon surrender of any Bond for redemption in part only, the designated Registrar shall authenticate and deliver to the holder thereof, a new Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond surrendered, such Bonds to be fully registered Bonds.

4. Both the Bonds and the interest thereon shall be payable in lawful money of the United States of America at the Office of State Treasurer of West Virginia (the "Paying Agent"), as agent for 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.
5. 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 twenty-one (21) years, or 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.

6. It is hereby found and determined by the Issuer that the aggregate amount of such Bonds, to wit, Sixteen Million One Hundred Thousand Dollars (\$16,100,000) together with all other bonds of the District currently outstanding, there being none, does not exceed or violate any provisions or limitations in any manner provided by the School Bond Amendment and the Better Schools Amendment.
7. 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."
8. 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 B", shall have been manually executed by the duly appointed registrar for the Bonds (the "Registrar").
9. 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.
10. 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 hand 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 obligated to make any such exchange or transfer of Bonds during the period commencing on the 15<sup>th</sup> day of the month preceding an interest payment date on the Bonds.

11. 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, 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.
12. 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 Non-purpose Investments) to persons other than state or local government units.

13. 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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 primary election held on the 13<sup>th</sup> day of May 2008, 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.

19. 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.
20. This Resolution and Order shall be effective immediately upon its adoption and entry of record.

Adopted and entered of record this 9<sup>th</sup> day of June 2008.

THE BOARD OF EDUCATION  
OF THE COUNTY OF BRAXTON

[SEAL]

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

**EXHIBIT "A"**

**FORM OF A BOND**

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA**

**THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-__</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$ __, __</b>
	May 1, ____	____, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
__% ____			_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009(each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). [\_\_\_\_], [\_\_\_\_], West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the [\_\_\_\_] in [\_\_\_\_], West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

The Bonds maturing on or after May 1, 20\_\_\_, are subject to redemption on or after May 1, 20\_\_\_, at the option of the Board, 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 of \_\_\_% of principal amount to be so redeemed, plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board 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.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

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, and that legal provision has been made by the Board 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 said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Board, does not exceed any statutory or constitutional limitation thereon.

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

The Board has covenanted in the Resolution and Order described on the reverse hereof that it shall include in its budget the amount of the debt service for each fiscal year of the Board 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.

The Board 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.

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.

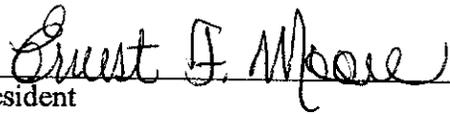
The Board has caused CUSIP numbers to be printed on the Bonds and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

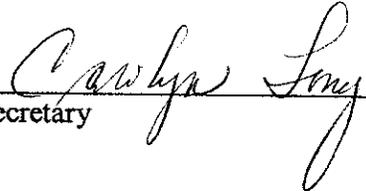
This Bond shall not be entitled to any benefit under the Resolution and Order nor shall it be valid, obligatory or enforceable for any purpose until the Certificate of Authentication and Registration shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON 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 Resolution and Order, and has caused this Bond to be dated as of the Bond Date specified above.

THE BOARD OF EDUCATION  
OF THE COUNTY OF BRAXTON

(SEAL)

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order, and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Attached hereto is the complete text of the opinion of Bowles Rice McDavid Graff & Love LLP, Bond Counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: \_\_\_\_\_, 2008.

\_\_\_\_\_  
As Registrar

By: \_\_\_\_\_  
Vice President and Trust Officer

## FURTHER PROVISIONS

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2008" (the "Bonds"), issued by the Board in the aggregate principal amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000). The Bonds were authorized to be issued by a majority of voters at a general election held on May 13, 2008. 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 1 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Resolution and Order") duly adopted by the Board for the purpose of providing funds for the acquisition, construction, renovation and other capital expenditures of eight (8) projects as permitted by law, with all necessary appurtenances, situated in Braxton County School District. 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 amount which the transferee is entitled to receive at the earliest practicable time. The Board 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 Board 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 Board 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 Resolution, against any member, officer or employee, past, present or future, of the Board or of any successor body, as such, either directly or through the Board 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.

**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: \_\_\_\_\_.

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.**

**ATTORNEY GENERAL'S APPROVAL**

I, DARRELL V. MCGRAW, JR., Attorney General of the State of West Virginia, do hereby certify that this Bond has been approved by me by virtue of the authority vested in me by Article 1, Chapter 13, of the Code of West Virginia of 1931, as amended, that notice of my approval hereof was published as required by Section 25 of said Article 1; that 10 days have elapsed since the date of the last publication of such notice; that there has been no appeal from my approval to the Supreme Court of Appeals; and that this Bond has become incontestable, under and by virtue of the provisions of said Article 1, Chapter 13, and is a binding obligation upon The Board of Education of the County of Braxton, a corporation, the authority issuing the same, and upon the taxable property within Braxton County School District, and that by reason of the provisions of said Article 1, Chapter 13, no one has the right hereafter to contest in any court or in any action or proceeding the validity of this Bond for any cause whatsoever.

WITNESS my hand this the \_\_\_\_ day of \_\_\_\_\_ 2008.

\_\_\_\_\_  
Attorney General of the State of West Virginia

**EXHIBIT "B"**

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order, and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Attached hereto is the complete text of the opinion of Bowles Rice McDavid Graff & Love LLP Bond Counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: \_\_\_\_\_ 1, 2008

[ \_\_\_\_\_ ], As Registrar

By: \_\_\_\_\_  
[Vice President and Trust Officer]



JULY 29, 2008

IN THE MATTER OF THE BOARD OF EDUCATION OF BRAXTON COUNTY  
STATE OF WEST VIRGINIA  
\$16,100,000  
PUBLIC SCHOOL BOND, SERIES 2008

ATTORNEY GENERAL'S APPROVAL

At a regular meeting of the Board of Education of the County of Braxton, State of West Virginia, held on the 19<sup>th</sup> day of February 2008, an order was adopted and entered of record authorizing a vote to be taken of legal voters of the County of Braxton at a general election to be held on the 13<sup>th</sup> day of May 2008, upon all questions connected with the incurring of debt and issuing bonds in the aggregate principal amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000), and levying taxes to pay the interest on and the principal of said bonds, the proceeds from the sale of such bonds to be used for the following purposes:

<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>
<b>Frametown Elementary</b> Construct two (2) classrooms, a mechanical room, kitchen addition and two (2) student restrooms.  Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting – interior/exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.	Existing Frametown Elementary School Frametown, West Virginia	Bond Funds \$2,590,775
<b>Little Birch Elementary</b> Construct two (2) classrooms, two (2) student restrooms and mechanical room.  Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.	Existing Little Birch Elementary School Little Birch, West Virginia	Bond Funds \$2,863,781
<b>Burnsville Elementary</b> Construct elevator and elevator connector  Renovations to include: restrooms, new lighting, new flooring and structural	Existing Burnsville Elementary School	Bond Funds \$3,114,833

<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>	
repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment			
<b>Braxton County Middle School</b> Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers	Existing Braxton County Middle School	Bond Funds	\$1,346,810
<b>Braxton County High School</b> Renovations to include: new VCT flooring, base, painting – interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment	Existing Braxton County High School	Bond Funds	\$3,368,122
<b>Davis Elementary</b> Constructions of two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical room and stairs.  Renovations to include: restrooms, new lighting, flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, plumbing upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment.	Existing Davis Elementary School	Bond Funds Grant Funds	\$1,602,979 \$3,263,783
<b>Flatwoods Elementary School</b> Construction of five (5) classrooms, physical education classroom, gym storage, two (2) student restrooms, mechanical room and kitchen addition  Renovations to include: restrooms, new lighting and ceiling tiles, painting – interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.	Existing Flatwoods Elementary School	Bond Funds Grant Funds	\$725,369 \$2,865,702

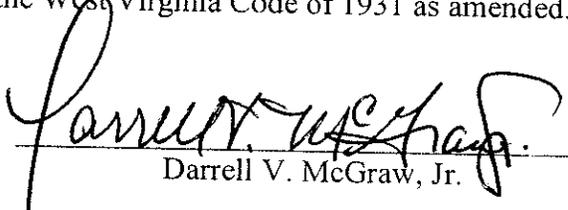
<u>PROJECT</u>	<u>LOCATION</u>	<u>ESTIMATED COST</u>	
Sutton Elementary School	Existing Sutton Elementary School	Bond Funds	\$438,655
Constructions of two (2) classrooms, student restrooms and mechanical room		Grant Funds	\$1,670,515
Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting – interior/exterior, fire suppression system, window asbestos abatement exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, new furnishing and equipment, exterior ramp removal and sidewalk renovations and repairs			
<b>TOTAL PROPOSED BOND CALL:</b>		Project Costs:	<b>\$23,851,324</b>
		Costs of Issuance	<b>\$ 48,676</b>
		Third Party Funds:	<b><u>\$ 7,800,000</u></b>
		Total Proposed Bond Call	<b><u>\$16,100,000</u></b>

The above amounts are made up of the aggregate principal amount of the Bond issue in the sum of SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000).

The Board of Education of the County of Braxton, pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931, as amended, has caused to be transmitted to me certified copies of all pertinent orders, ordinances, proclamations, certificates of valuation, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and I have examined the same.

It appears from the records so transmitted to me that with respect to the proposition of incurring debt and issuing bonds, as provided in said order, 2,609 votes were cast for and 2,407 votes were cast against the issuance of said bonds, so that a majority of the votes were cast for the proposition.

In my opinion, there has been substantial compliance with the law relating to the issuance of said bonds, and I therefore approve the validity of such bond issue pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931 as amended.

  
 \_\_\_\_\_  
 Darrell V. McGraw, Jr.

Charleston, West Virginia

July 29, \_\_\_\_\_, 2008



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UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-1</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$405,000</b>
	May 1, 2010	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.50%			105745 AU7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED EIGHTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

Litho. in U.S.A.

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-2</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$510,000</b>
	May 1, 2011	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.00%			105745 AV5

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL AMOUNT:** FIVE HUNDRED TEN THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-3</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$535,000</b>
	May 1, 2012	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
3.25%			105745 AW3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED THIRTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-4</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$565,000</b>
	May 1, 2013	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
3.25%			105745 AX1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED SIXTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

Litho. in U.S.A.

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UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-5</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$590,000</b>
	May 1, 2014	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
3.50%			105745 AY9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED NINETY THOUSAND AND  
00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-6</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$620,000</b>
	May 1, 2015	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
3.50%			105745 AZ6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-7</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$655,000</b>
	May 1, 2016	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
3.75%			105745 BA0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED FIFTY FIVE THOUSAND AND  
00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-8</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$685,000</b>
	May 1, 2017	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.00%			105745 BB8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED EIGHTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-9</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$720,000</b>
	May 1, 2018	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.00%			105745 BO6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

NO. R-10	MATURITY DATE	BOND DATE	\$755,000
INTEREST RATE	May 1, 2019	September 30, 2008	CUSIP
5.25%			105745 BD4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED FIFTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-11</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$795,000</b>
	May 1, 2020	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
5.00%			105745 BE2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED NINETY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-12</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$835,000</b>
	May 1, 2021	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
5.00%			105745 BF9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED THIRTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

NO. R-13	MATURITY DATE	BOND DATE	\$875,000
INTEREST RATE	May 1, 2022	September 30, 2008	CUSIP
5.00%			105745 BG7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED SEVENTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

NO. R-14	MATURITY DATE	BOND DATE	\$920,000
INTEREST RATE	May 1, 2023	September 30, 2008	CUSIP
5.00%			105745 BH5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

NO. R-15	MATURITY DATE	BOND DATE	\$965,000
INTEREST RATE	May 1, 2024	September 30, 2008	CUSIP
4.50%			105745 BJ1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED SIXTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-16</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$1,010,000</b>
	May 1, 2025	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
5.25%			105745 BK8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TEN THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-17</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$1,065,000</b>
	May 1, 2026	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.50%			105745 BL6

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL AMOUNT:** ONE MILLION SIXTY FIVE THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

**UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)**

<b>NO. R-18</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$1,115,000</b>
	May 1, 2027	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.75%			105745 BM4

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL AMOUNT:** ONE MILLION ONE HUNDRED FIFTEEN THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-19</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$1,170,000</b>
	May 1, 2028	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.75%			105745 BN2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION ONE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
PUBLIC SCHOOL BONDS, SERIES 2008  
(WEST VIRGINIA)

<b>NO. R-20</b>	<b>MATURITY DATE</b>	<b>BOND DATE</b>	<b>\$1,230,000</b>
	May 1, 2029	September 30, 2008	
<b>INTEREST RATE</b>			<b>CUSIP</b>
4.75%			105745 BP7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED THIRTY THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, Braxton County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), 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 preceding the date of authentication hereof or, if authenticated after the date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) 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, 2009 (each an "Interest Payment Date"). The Treasurer of the State of West Virginia has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia as paying agent for the Bonds (the "Paying Agent"). United Bank, Inc., Charleston, West Virginia has been designated as registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the West Virginia Municipal Bond Commission in Charleston, West Virginia; and interest on this Bond is payable by check or draft, mailed to the Registered Owner at his address as it appears on the books of the Registrar on the 15<sup>th</sup> day of the month next preceding said Interest Payment Date (the "Record Date").

The Bonds maturing on or after May 1, 2019, are subject to redemption on or after May 1, 2018, at the option of the Board, 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 of 100% of principal amount to be so redeemed, plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board 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.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

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, and that legal provision has been made by the Board 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 said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Board, does not exceed any statutory or constitutional limitation thereon.

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

The Board has covenanted in the Resolution and Order described on the reverse hereof that it shall include in its budget the amount of the debt service for each fiscal year of the Board 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.

The Board 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.

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.

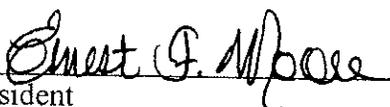
The Board has caused CUSIP numbers to be printed on the Bonds and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

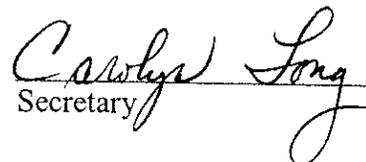
This Bond shall not be entitled to any benefit under the Resolution and Order nor shall it be valid, obligatory or enforceable for any purpose until the Certificate of Authentication and Registration shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON 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 Resolution and Order, and has caused this Bond to be dated as of the Bond Date specified above.

THE BOARD OF EDUCATION  
OF THE COUNTY OF BRAXTON

(SEAL)

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

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## CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order, and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Attached hereto is the complete text of the opinion of Bowles Rice McDavid Graff & Love LLP, Bond Counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: September 30, 2008.

UNITED BANK, INC.  
As Registrar

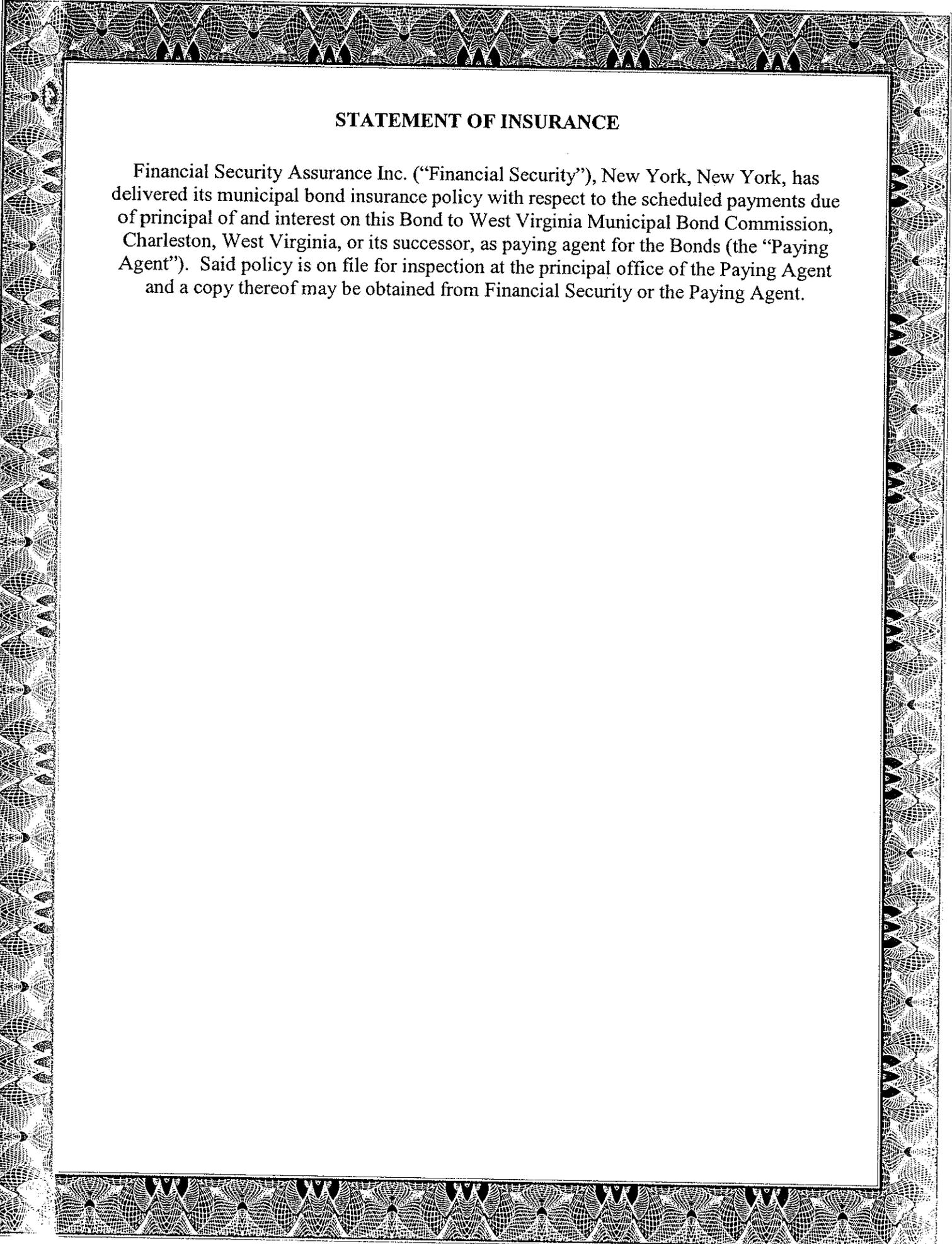
By: *K. J. Smith*  
Vice President and Trust Officer

## FURTHER PROVISIONS

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2008" (the "Bonds"), issued by the Board in the aggregate principal amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000). The Bonds were authorized to be issued by a majority of voters at a general election held on May 13, 2008. 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 1 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Resolution and Order") duly adopted by the Board for the purpose of providing funds for the acquisition, construction, renovation and other capital expenditures of eight (8) projects as permitted by law, with all necessary appurtenances, situated in Braxton County School District. 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 amount which the transferee is entitled to receive at the earliest practicable time. The Board 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 Board 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 Board 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 Resolution, against any member, officer or employee, past, present or future, of the Board or of any successor body, as such, either directly or through the Board 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.



## STATEMENT OF INSURANCE

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said policy is on file for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

**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: \_\_\_\_\_.

SIGNATURE GUARANTEED:

\_\_\_\_\_  
(Bank, Trust Company or Firm)

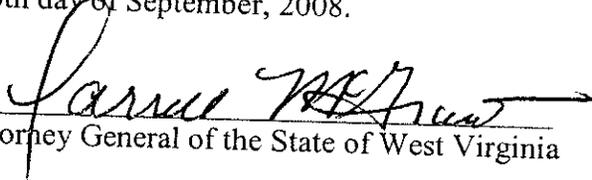
\_\_\_\_\_  
(Authorized Officer)

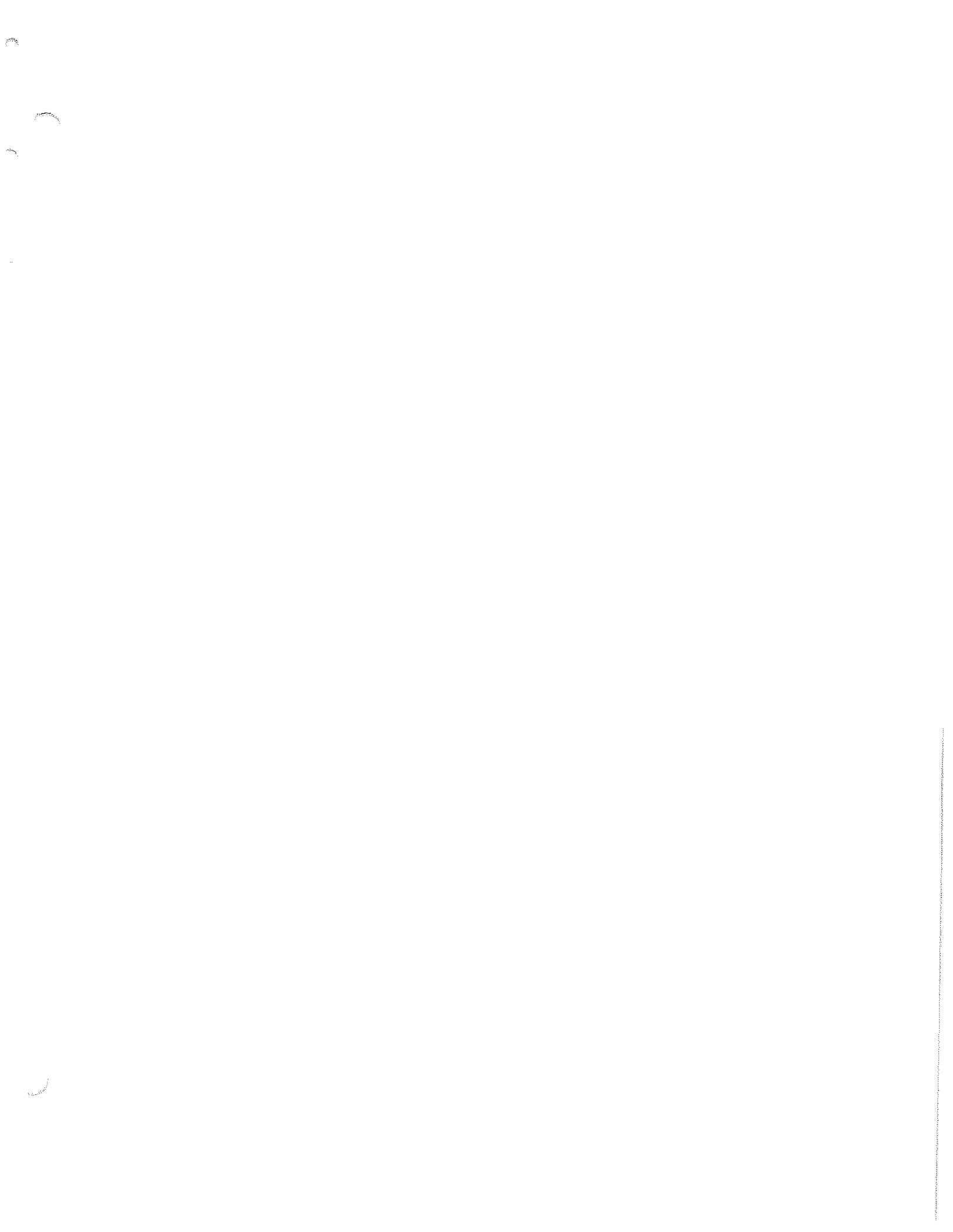
**NOTICE:** The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

### ATTORNEY GENERAL'S APPROVAL

I, DARRELL V. MCGRAW, JR., Attorney General of the State of West Virginia, do hereby certify that this Bond has been approved by me by virtue of the authority vested in me by Article 1, Chapter 13, of the Code of West Virginia of 1931, as amended, that notice of my approval hereof was published as required by Section 25 of said Article 1; that 10 days have elapsed since the date of the last publication of such notice; that there has been no appeal from my approval to the Supreme Court of Appeals; and that this Bond has become incontestable, under and by virtue of the provisions of said Article 1, Chapter 13, and is a binding obligation upon The Board of Education of the County of Braxton, a corporation, the authority issuing the same, and upon the taxable property within Braxton County School District, and that by reason of the provisions of said Article 1, Chapter 13, no one has the right hereafter to contest in any court or in any action or proceeding the validity of this Bond for any cause whatsoever.

WITNESS my hand this the 30th day of September, 2008.

  
\_\_\_\_\_  
Attorney General of the State of West Virginia



**STANDARD  
& POOR'S**

55 Water Street, 38th Floor  
New York, NY 10041-0003  
tel 212 438-2074  
reference no.: 40244652

September 26, 2008

Financial Security Assurance Inc  
Financial Guaranty Group  
31 West 52nd Street  
New York, NY 10019  
Attention: Mr. Richard Bauerfeld, Managing Director

Re: *\$16,100,000 The Board of Education of the County of Braxton, West Virginia,  
Public School Bonds, Series 2008, dated: Date of Delivery, due: May 1, 2010-2029,  
(POLICY #211006-N)*

Dear Mr. Bauerfeld:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating to "AAA" from "AA-". The rating reflects our assessment of the likelihood of repayment of principal and interest based on the bond insurance policy your company is providing. Therefore, rating adjustments may result from changes in the financial position of your company or from alterations in the documents governing the issue.

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 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 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.

STANDARD  
& POOR'S

Mr. Richard Bauerfeld  
Page 2  
September 26, 2008

Standard & Poor's is pleased to be of service to you. For more information please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). If we can be of help in any other way, please contact us. Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,

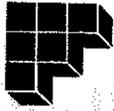
Standard & Poor's Ratings Services  
a division of The McGraw-Hill Companies, Inc.

A handwritten signature in black ink that reads "Standard and Poor's / S&P". The signature is written in a cursive, flowing style.

aw

Standard  
and  
Poor's





**FINANCIAL  
SECURITY  
ASSURANCE®**

## **MUNICIPAL BOND INSURANCE POLICY**

**ISSUER:** The Board of Education of the County of Braxton  
(West Virginia)

Policy No.: 211006-N

Effective Date: September 30, 2008

**BONDS:** \$16,100,000 in aggregate principal amount of  
Public School Bonds, Series 2008

Premium: \$35,500.00

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

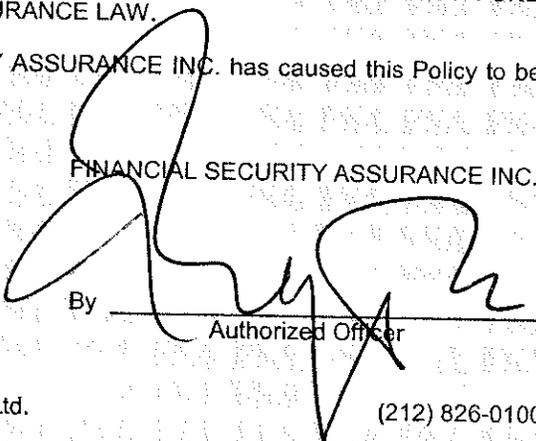
Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By  Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.  
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form 500NY (5/90)

**NOTICE OF CLAIM AND CERTIFICATE**

Financial Security Assurance Inc.  
31 West 52nd Street  
New York, NY 10019

The undersigned, a duly authorized officer of [FULL NAME OF TRUSTEE or PAYING AGENT] (the "Trustee/Paying Agent"), hereby certifies to Financial Security Assurance Inc. ("Financial Security"), with reference to Municipal Bond Insurance Policy No. 211006-N dated September 30, 2008 (the "Policy") issued by Financial Security in respect of the The Board of Education of the County of Braxton (West Virginia) Public School Bonds, Series 2008 (the "Bonds"), that:

(i) The Trustee/Paying Agent is the Trustee/Paying Agent under the document authorizing the issuance of the Bonds ( the "Indenture") for the Holders.

(ii) The sum of all amounts on deposit (or scheduled to be on deposit) in the [RELEVANT ACCOUNTS] and available for distribution to the Holders pursuant to the Indenture will be \$\_\_\_\_\_ (the "Shortfall") less than the aggregate amount of principal and interest Due for Payment on \_\_\_\_\_("Scheduled Payments").

(iii) The Trustee/Paying Agent is making a claim under the Policy for the Shortfall to be applied to the payment of Scheduled Payments.

(iv) The Trustee/Paying Agent agrees that, following receipt of funds from Financial Security, it shall (a) hold such amounts in trust and apply the same directly to the payment of Scheduled Payments on the Bonds when due; (b) not apply such funds for any other purpose; (c) not commingle such funds with other funds held by the Trustee/Paying Agent and (d) maintain an accurate record of such payments with respect to each Bond and the corresponding claim on the Policy and proceeds thereof, and, if the Bond is required to be [SURRENDERED/PRESENTED] for such payment, shall stamp on each such Bond the legend "\$"[insert applicable amount] paid by Financial Security and the balance hereof has been canceled and reissued" and then shall deliver such Bond to Financial Security.

(v) The Trustee/Paying Agent, on behalf of the Holders, hereby assigns to Financial Security the rights of the Holders with respect to the Bonds to the extent of any payments under the Policy, including, without limitation, any amounts due to the Holders in respect of securities law violations arising from the offer and sale of the Bonds. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to Financial Security in respect of such payments. Payments to Financial Security in respect of the foregoing assignment shall in all cases be subject to and subordinate to the rights of the Holders to receive all Scheduled Payments in respect of the Bonds. The Trustee/Paying Agent shall take such action and deliver such instruments as may be reasonably requested or required by Financial Security to effectuate the purpose or provisions of this clause (v).

**PROCEDURES FOR PREMIUM PAYMENT TO  
FINANCIAL SECURITY ASSURANCE INC.**

Financial Security's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. **NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED.** Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid:	<b>Upon determination of the final debt service schedule, fax such schedule to Financial Security</b> Attention: Eric Friedland, Director Phone No.: (212) 339-3544 Fax No.: (212) 857-0375
---------------------------------------	--

**Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.**

Payment Date:                      Date of Delivery of the insured bonds.

Method of Payment:              Wire transfer of Federal Funds.

**Wire Transfer Instructions:**

Bank:	The Bank of New York
ABA#:	021 000 018
Acct. Name:	Financial Security Assurance Inc.
Account No.:	8900297263
Policy No.:	211006-N

**CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING**

Financial Security will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Erika Paredes-Reboucas, Legal Assistant and Closing Coordinator , (212) 893-2706.



September 30, 2008

Municipal Bond Insurance Policy No. 211006-N With Respect to  
\$16,100,000 In Aggregate Principal Amount of  
The Board of Education of the County of Braxton (West Virginia)  
Public School Bonds, Series 2008

Ladies and Gentlemen:

I am Associate General Counsel of Financial Security Assurance Inc., a New York stock insurance company ("Financial Security"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by Financial Security of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. Financial Security is a stock insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policy has been duly authorized, executed and delivered by Financial Security.
3. The Policy constitutes the valid and binding obligation of Financial Security, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of Financial Security and to the application of general principles of equity.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE – Bond Insurance Policy" in the official statement relating to the above-referenced Bonds dated September 17, 2008 (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, referred to or omitted from under the captions "BOND INSURANCE – Financial Security Assurance Inc." and "-- Recent Events Regarding FSA's Ratings".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

Very truly yours,

Associate General Counsel

The Board of Education of the County of Braxton (West Virginia),  
411 North Hill Road,  
Sutton, West Virginia 26601.

Hutchinson, Shockey, Erley & Co.,  
222 West Adams Street, Suite 1700,  
Chicago, Illinois 60606.

**Financial Security Assurance**

31 West 52nd Street · New York, New York 10019 · Tel: 212.826.0100 · Fax: 212.688.3101  
New York · Dallas · San Francisco · London · Madrid · Paris · Singapore · Sydney · Tokyo

101 South Queen Street  
Martinsburg, West Virginia 25401  
(304) 263-0836

7000 Hampton Center  
Morgantown, West Virginia 26505  
(304) 285-2500

5th Floor, United Square  
501 Avery Street  
Parkersburg, West Virginia 26101  
(304) 485-8500



600 Quarrier Street  
Charleston, West Virginia 25301

Post Office Box 1386  
Charleston, West Virginia 25325-1386  
(304) 347-1100

[www.bowlesrice.com](http://www.bowlesrice.com)

333 West Vine Street, Suite 1700  
Lexington, Kentucky 40507-1639  
(859) 252-2202

480 West Jubal Early Drive  
Suite 130  
Winchester, Virginia 22601  
(540) 723-8877

2400 Cranberry Square  
Morgantown, West Virginia 26508  
(304) 594-1000

September 30, 2008

Financial Security Assurance Inc.  
Financial Guaranty Group  
Attn: Mr. Richard Bauerfeld, Managing Director  
31 West 52nd Street  
New York, New York 10019

Re: \$16,100,000 The Board of Education of the County of Braxton, West Virginia,  
Public School Bonds, Series 2008, dated: Date of Delivery, due: May 1, 2010-  
2029, (POLICY #211006-N)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the above-captioned issue on behalf of the Board of Education of Braxton County West Virginia. In connection therewith, we have issued our approving opinion of even date herewith. This is to confirm that you may rely upon such opinion, a copy of which is attached hereto, as though same were addressed to you.

Very truly yours,



**STANDARD  
& POOR'S**

55 Water Street, 38th Floor  
New York, NY 10041-0003  
tel 212 438-2066  
reference no.: 1025872

August 19, 2008

Braxton County Board of Education  
411 North Hill Road  
Sutton, WV 26601  
Attention: Ms. Ginger Altizer, Treasurer

Re: *US\$16,100,000 The Board of Education of the County of Braxton, West Virginia, Public School Bonds, Series 2008, dated: Date of Delivery, due: May 1, 2010-2029*

Dear Ms. Altizer:

Pursuant to your request for a Standard & Poor's rating on the above-referenced obligations, 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

Ms. Ginger Altizer  
Page 2  
August 19, 2008

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](http://www.standardandpoors.com). If we can be of help in any other way, please call or contact us at [nypublicfinance@standardandpoors.com](mailto: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 division of The McGraw-Hill Companies, Inc.



cf  
enclosures

cc: Ms. Carolyn D. Long  
Ms. Marie L. Prezioso

STANDARD  
& POOR'S

# STANDARD & POOR'S

## **Standard & Poor's Ratings Services Terms and Conditions Applicable To U.S. Public Finance Ratings**

**Request for a rating.** Standard & Poor's issues public finance ratings for a fee upon request from an issuer, or from an underwriter, financial advisor, investor, insurance company, or other entity, provided that the obligor and issuer (if different from the obligor) each has knowledge of the request. The term "issuer/obligor" in these Terms and Conditions means the issuer and the obligor if the obligor is different from the issuer.

**Agreement to Accept Terms and Conditions.** Standard & Poor's assigns Public Finance ratings subject to the terms and conditions stated herein and in the rating letter. The issuer/obligor's use of a Standard & Poor's public finance rating constitutes agreement to comply in all respects with the terms and conditions contained herein and in the rating letter and acknowledges the issuer/obligor's understanding of the scope and limitations of the Standard & Poor's rating as stated herein and in the rating letter.

**Fees and expenses.** In consideration of our analytic review and issuance of the rating, the issuer/obligor agrees to pay Standard & Poor's a rating fee. Payment of the fee is not conditioned on Standard & Poor's issuance of any particular rating. In most cases an annual surveillance fee will be charged for so long as we maintain the rating. The issuer/obligor will reimburse Standard & Poor's for reasonable travel and legal expenses if such expenses are not included in the fee. Should the rating not be issued, the issuer/obligor agrees to compensate Standard & Poor's based on the time, effort, and charges incurred through the date upon which it is determined that the rating will not be issued.

**Scope of Rating.** The issuer/obligor understands and agrees that (i) an issuer rating reflects Standard & Poor's current opinion of the issuer/obligor's overall financial capacity to pay its financial obligations as they come due, (ii) an issue rating reflects Standard & Poor's current opinion of the likelihood that the issuer/obligor will make payments of principal and interest on a timely basis in accordance with the terms of the obligation, (iii) a rating is an opinion and is not a verifiable statement of fact, (iv) ratings are based on information supplied to Standard & Poor's by the issuer/obligor or by its agents and upon other information obtained by Standard & Poor's from other sources it considers reliable, (v) Standard & Poor's does not perform an audit in connection with any rating and a rating does not represent an audit by Standard & Poor's, (vi) Standard & Poor's relies on the issuer/obligor, its accountants, counsel, and other experts for the accuracy and completeness of the information submitted in connection with the rating and surveillance process, (vii) Standard & Poor's undertakes no duty of due diligence or independent verification of any information, (viii) Standard & Poor's 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, (ix) Standard & Poor's may raise, lower, suspend, place on CreditWatch, or withdraw a rating at any time, in Standard & Poor's sole discretion, and (x) a rating is not a "market" rating nor a recommendation to buy, hold, or sell any financial obligation.

**Publication.** Standard & Poor's reserves the right to publish, disseminate, or license others to publish or disseminate the rating and the rationale for the rating unless the issuer/obligor specifically requests that the rating be assigned and maintained on a confidential basis. If a confidential rating subsequently becomes public through disclosure by the issuer/obligor or a third party other than Standard & Poor's, Standard & Poor's reserves the right to publish it. Standard & Poor's may publish explanations of Standard & Poor's ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Standard & Poor's ability to modify or refine Standard & Poor's criteria at any time as Standard & Poor's deems appropriate.

**Information to be Provided by the Issuer/obligor.** The issuer/obligor shall meet with Standard & Poor's for an analytic review at any reasonable time Standard & Poor's requests. The issuer/obligor also agrees to provide Standard & Poor's promptly with all information relevant to the rating and surveillance of the rating including information on material changes to information previously supplied to Standard & Poor's. The rating may be affected by Standard & Poor's opinion of the accuracy, completeness, timeliness, and reliability of information received from the issuer/obligor or its agents. Standard & Poor's undertakes no duty of due diligence or independent verification of

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& POOR'S

information provided by the issuer/obligor or its agents. Standard & Poor's reserves the right to withdraw the rating if the issuer/obligor or its agents fails to provide Standard & Poor's with accurate, complete, timely, or reliable information.

**Standard & Poor's Not an Advisor, Fiduciary, or Expert.** The issuer/obligor understands and agrees that Standard & Poor's is not acting as an investment, financial, or other advisor to the issuer/obligor and that the issuer/obligor should not and cannot rely upon the rating or any other information provided by Standard & Poor's as investment or financial advice. Nothing in this Agreement is intended to or should be construed as creating a fiduciary relationship between Standard & Poor's and the issuer/obligor or between Standard & Poor's and recipients of the rating. The issuer/obligor understands and agrees that Standard & Poor's has not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the U.S. Securities Act of 1933.

**Limitation on Damages.** The issuer/obligor agrees that Standard & Poor's, its officers, directors, shareholders, and employees shall not be liable to the issuer/obligor or any other person for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the rating or the related analytic services provided for in an aggregate amount in excess of the aggregate fees paid to Standard & Poor's for the rating, except for Standard & Poor's gross negligence or willful misconduct. In no event shall Standard & Poor's, its officers, directors, shareholders, or employees be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, legal fees, or losses (including, without limitation, lost profits and opportunity costs). In furtherance and not in limitation of the foregoing, Standard & Poor's will not be liable in respect of any decisions made by the issuer/obligor or any other person as a result of the issuance of the rating or the related analytic services provided by Standard & Poor's hereunder or based on anything that appears to be advice or recommendations. 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. The issuer/obligor acknowledges and agrees that Standard & Poor's does not waive 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.

**Term.** This Agreement shall terminate when the ratings are withdrawn. Notwithstanding the foregoing, the paragraphs above, "Standard & Poor's Not an Advisor, Fiduciary, or Expert" and "Limitation on Damages", shall survive the termination of this Agreement or any withdrawal of a rating.

**Third Parties.** 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 to this Agreement or to 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.

**Complete Agreement.** This Agreement constitutes the complete agreement between the parties with respect to its subject matter. This Agreement may not be modified except in a writing signed by authorized representatives of both parties.

**Governing Law.** This Agreement and the rating letter shall be governed by the internal laws of the State of New York. The parties agree that the state and federal courts of New York shall be the exclusive forums for any dispute arising out of this Agreement and the parties hereby consent to the personal jurisdiction of such courts.

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THE BOARD OF EDUCATION OF THE COUNTY  
OF BRAXTON, WEST VIRGINIA  
\$16,100,000 PUBLIC SCHOOL BONDS, SERIES 2008

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United Bank, Inc.  
500 Virginia Street, East  
Charleston, West Virginia 25301

Ladies Gentlemen:

There are delivered to you herewith:

1. Bonds Nos. R-1 through R-20, constituting the entire original issue of The Board of Education of the County of Braxton Public School Bonds, Series 2008, dated September 30, 2008, in the aggregate principal amount of \$16,100,000 (the "Bonds") executed by the President and Secretary of The Board of Education of the County of Braxton (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Resolution adopted by the Issuer on June 9, 2008, as modified on September 17, 2008 (the "Resolution");
2. A copy of the Resolution, duly certified by the Secretary of the Issuer;
3. A list of the names in which the Bonds are to be registered upon original issuance, together with taxpayer identification information as requested by you (see below);
4. A signed, unqualified approving opinion of nationally recognized Bond Counsel designated by the Issuer and acceptable to the Original Purchaser.

You are hereby requested and authorized to authenticate, register the Bonds in the name of "CEDE & CO." and deliver the Bonds to The Depository Trust Company in New York, New York, on behalf of Hutchinson, Shockey, Erley & Co., as original purchaser thereof.

Dated this 30th day of September, 2008.

THE BOARD OF EDUCATION OF THE COUNTY  
OF BRAXTON, WEST VIRGINIA

By Ernest F. Moore  
President



**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*

**\$16,100,000**

**The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

**Dated:** Date of Delivery

**Due:** May 1, as shown below

The Bonds are general obligations of The Board of Education of the County of Braxton, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Braxton 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 State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as Registrar.

Interest on the Bonds will be payable May 1, 2009 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 Owners of the Bonds, as described herein.

The Bonds are subject to redemption prior to maturity as described herein.

The scheduled payment of principal and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC. ("FSA").



**MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS**

Maturing (May 1)	Principal Amount (\$)	Interest Rate (%)	Yield (%)	CUSIP Base #: 105745	Maturing (May 1)	Principal Amount (\$)	Interest Rate (%)	Yield (%)	CUSIP Base #: 105745
2010	485,000	4.50	2.10	AU 7	2020	795,000	5.00	4.15	BE 2
2011	510,000	4.00	2.35	AV 5	2021	835,000	5.00	4.30	BF 9
2012	535,000	3.25	2.65	AW 3	2022	875,000	5.00	4.40	BG 7
2013	565,000	3.25	2.90	AX 1	2023	920,000	5.00	4.50	BH 5
2014	590,000	3.50	3.10	AY 9	2024	965,000	4.50	4.68	BJ 1
2015	620,000	3.50	3.25	AZ 6	2025	1,010,000	5.25	4.75	BK 8
2016	655,000	3.75	3.45	BA 0	2026	1,065,000	4.50	4.80	BL 6
2017	685,000	4.00	3.60	BB 8	2027	1,115,000	4.75	4.88	BM 4
2018	720,000	4.00	3.75	BC 6	2028	1,170,000	4.75	4.90	BN 2
2019	755,000	5.25	4.00	BD 4	2029	1,230,000	4.75	4.92	BP 7

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about September 30, 2008.

**Hutchinson, Shockey, Erley & Co.**

**DATED:** September 17, 2008

**\$16,100,000**  
**The Board of Education of the**  
**County of Braxton (West Virginia)**  
**Public School Bonds, Series 2008**

**ELECTED OFFICIALS**

Ernie Moore, President  
John Campbell  
Roger W. Hall  
Elizabeth Stewart  
Kathy Parker

**APPOINTED OFFICIALS**

Carolyn D. Long, Superintendent  
Charles Michael McCoy, Assistant Superintendent  
Ginger L. Altizer, Treasurer

**BOARD'S COUNSEL**

Bowles Rice McDavid Graff & Love LLP  
Charleston, WV

**BOND COUNSEL**

Bowles Rice McDavid Graff & Love, LLP  
Charleston, West Virginia

**FINANCIAL ADVISOR**

Raymond James & Associates, Inc.

No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Braxton, 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.

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 respective 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.

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**OFFICIAL STATEMENT  
RELATING TO**

**\$16,100,000  
The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

**INTRODUCTION**

This Official Statement provides certain information in connection with the sale of \$16,100,000 in aggregate principal amount of The Board of Education of the County of Braxton (West Virginia) Public School Bonds, Series 2008 (the "Bonds"). A brief description of The Board of Education of the County of Braxton, West Virginia (the "Board"), the Braxton County School District (the "School District") and the County of Braxton, West Virginia (the "County" or "Braxton County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

**THE BONDS**

General

The Bonds are dated the Date of Delivery 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:

<b>Maturing (May 1)</b>	<b>Principal Amount (\$)</b>
2010	\$485,000
2011	510,000
2012	535,000
2013	565,000
2014	590,000
2015	620,000
2016	655,000
2017	685,000
2018	720,000
2019	755,000
2020	795,000
2021	835,000
2022	875,000
2023	920,000
2024	965,000
2025	1,010,000
2026	1,065,000
2027	1,115,000
2028	1,170,000
2029	1,230,000

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

Interest on the Bonds will be payable May 1, 2009 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 his address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of \$500,000 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 Paying Agent at least five days prior to an interest payment date.

#### Optional Redemption

The Bonds maturing on or after May 1, 2019, are subject to redemption on or after May 1, 2018, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board 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.

Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for their redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Board shall default in the payment of the redemption price), such Bonds shall cease to bear interest.

#### Book-Entry Only System

##### **DTC Supplied Disclosure of Book Entry Only System**

The following information about the book-entry-only system applicable to the Series 2008 Bonds has been supplied by The Depository Trust Company ("DTC"), New York, New York. DTC. Neither the Board (called the "Issuer" herein), the Registrar nor the Paying Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness.

1. DTC will act as securities depository for the Series 2008 Bonds. 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 Bond certificate will be issued for each maturity of the Series 2008 Bonds, in the aggregate principal amount of the Series 2008 Bonds, 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 2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor's highest rating: AAA. 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Series 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Series 2008 Bonds will 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 the Series 2008 Bonds, except in the event that use of the book-entry system for the Series 2008 Bonds is discontinued.
4. To facilitate subsequent transfers, all Series 2008 Bonds 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 Series 2008 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2008 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2008 Bonds 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 the Series 2008 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2008 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2008 Bonds may wish to ascertain that the nominee holding the Series 2008 Bonds 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 Series 2008 Bonds 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 the Series 2008 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board 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 Series 2008 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and interest payments on the Series 2008 Bonds 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 the Issuer or the Paying Agent, on the 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 the Series 2008 Bonds 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 nor its nominee, the Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying 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. DTC may discontinue providing its services as securities depository with respect to the Series 2008 Bonds at any time by giving reasonable notice to the Issuer or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.
10. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.
11. The information in this exhibit concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

#### **No Assurances Regarding DTC Practices**

The Issuer, the Paying Agent and the Registrar cannot and do not give any assurances that the DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2008 Bonds (1) payments of principal and premium, if any, on and interest on the Series 2008 Bonds, (2) confirmations of beneficial interest in the Series 2008 Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Series 2008 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the same manner as described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of the DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer, the Paying Agent nor the Registrar shall have any authority or obligation to any Direct Participant, Indirect Participant, Beneficial Owner or other person with respect to (1) the accuracy of any records maintained by the DTC or any Participant; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price or interest on the Series 2008 Bonds; (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner; or (4) the selection of the Beneficial Owners to receive payment in excess of any partial redemption of the Series 2008 Bonds.

#### Purpose

To provide funds for making certain improvements in the School District defined in "Proposed Projects" in Appendix D.

#### Authority

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on and principal of such Bonds were authorized and approved at the Statewide primary election held on May 13, 2008 pursuant to the Act, and to orders and resolutions duly entered and adopted by the Board. The ballot questions also included a maximum term of 21 years from the date of issuance of the Bonds and an interest rate not exceeding 7% per annum. The canvass of said special election showed 2,609 "Yes" votes and 2,407 "No" votes, a 52.014% voter approval of those who participated.

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 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 Act, require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

#### 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

The Bond Commission is charged with the administration of the interest and sinking funds created to service the debt of the State and its subdivisions. The proceeds of taxes levied for debt service by the Board are collected by 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 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 2008 Budget Bill is indicative:

Sec. 13. 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.

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 Braxton. 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.

### **BOND INSURANCE**

#### Bond Insurance Policy

Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

#### Financial Security Assurance Inc.

Financial Security is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of

Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local S.A., a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At June 30, 2008, Financial Security's consolidated policyholders' surplus and contingency reserves were approximately \$2,474,294,855 and its total net unearned premium reserve was approximately \$2,618,981,067 in accordance with statutory accounting principles. At June 30, 2008, Financial Security's consolidated shareholder's equity was approximately \$2,742,778,534 and its total net unearned premium reserve was approximately \$2,065,001,822 in accordance with generally accepted accounting principles.

Portions of the following documents filed by Holdings with the Securities and Exchange Commission ("SEC") that relate to Financial Security are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) Annual Report of Holdings on Form 10-K for the year ended December 31, 2007, and
- (ii) Quarterly Report of Holdings on Form 10-Q for the quarter ended March 31, 2008, and
- (iii) Quarterly Report of Holdings on Form 10-Q for the quarter ended June 30, 2008, and
- (iv) Current Report of Holdings on Form 8-K filed on August 6, 2008.

All information relating to Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing of such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov> or at Holding's website at <http://www.fsa.com> or will be provided upon request to Financial Security Assurance Inc.: 31 West 52<sup>nd</sup> Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding Financial Security included herein under the captions "BOND INSURANCE – Financial Security Assurance Inc." and " – Recent Events Regarding FSA's Ratings" or included in a document incorporated by reference herein (collectively, the "Financial Security Information") shall be modified or superseded to the extent that any subsequently included Financial Security Information (either directly or through incorporation by reference) modifies or supersedes such previously included Financial Security Information. Any Financial Security Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

The Policy does not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Bonds or the advisability of investing in the Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

#### Recent Events Regarding FSA's Ratings

On August 6, 2008, Standard & Poor's Ratings Services revised its outlook on Financial Security to negative from stable, and affirmed Financial Security's "AAA" claims paying rating.

On August 6, 2008, Fitch Ratings affirmed Financial Security's "AAA"/Stable insurer financial strength rating.

On July 21, 2008, Moody's Investors Service, Inc. ("Moody's") placed Financial Security's "Aaa" insurance financial strength ratings on review for possible downgrade due to concerns regarding elevated risks with the financial guaranty insurance market and within Financial Security's insured portfolio. Moody's noted that, while the outcome of the review is uncertain at this time, a downgrade of Financial Security's insurance financial strength rating below "Aa2" is currently seen as unlikely.

These ratings reflect only the views of the respective rating agencies, are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by those rating agencies. [See "Ratings."]

## BRAXTON 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. Presently, the terms of the members are for four years and are staggered so that no more than three terms expire at one time. An election was held on May 13, 2008. The terms of such members begin on the first day of July next following the primary election at which they were elected.

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 2007-2008, the Braxton County school system had a central office professional staff of 7 with the overall responsibility to coordinate and supervise the activities of 12 school administrators, 205 instructional staff (teachers and other professionals), and 120 service personnel. Total Full Time Equivalent positions are 353. The average pupil-teacher ratio for the 2007-2008 school year was 11 to 1 (combined elementary, middle and secondary schools).

### Historical School Enrollment (School Year)

<b>Grades</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Pre-K	235	194	200	169	195	173
K	144	165	173	162	151	180
1	148	152	159	169	166	141
2	169	143	142	166	162	167
3	163	180	148	138	172	158
4	192	169	168	151	142	169
5	161	199	167	167	147	143
6	230	169	196	171	166	153
7	196	223	169	198	165	168
8	212	199	229	173	197	162
9	213	240	233	247	200	209
10	204	187	205	191	195	155
11	162	179	166	179	169	188
12	<u>158</u>	<u>163</u>	<u>166</u>	<u>163</u>	<u>164</u>	<u>148</u>
<b>Total</b>	<b>2587</b>	<b>2562</b>	<b>2521</b>	<b>2444</b>	<b>2391</b>	<b>2314</b>

### **Rate of Increase (Decrease) in Enrollment**

2003-2008	(10.55%)
Annualized	(1.76%)

Source: Braxton County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2009	2,295
2010	2,280
2011	2,280
2012	2,275

Source: Braxton County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Renovation or Addition And Date
Braxton County High School	9-12	Masonry	1967	Additions 2002; 2006
Braxton County Middle School	5-8	Masonry	1992	None
Burnsville Elementary School	PK-4	Masonry	1917	Additions 1925; 1951; 1983 Renovations 1951; 2002
Davis Elementary School	PK-4	Masonry	1955	Additions 1978; 1980 Renovation 2001
Flatwoods Elementary School	PK-4	Masonry	1980	Addition 1994 Renovation 2007
Frametown Elementary School	PK-4	Masonry	1972	Additions 1983; 1991 Renovation 2006
Little Birch Elementary School	PK-4	Wood/Masonry	1935	Additions 1971; 1985; 1992 Renovation 1985
Sutton Elementary School	PK-4	Masonry	1955	Addition 1980 Renovation 2002

Source: Braxton County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Braxton County Sheriff (the "Sheriff") and are remitted by him to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by him 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 his office during the preceding month. The Auditor, each month, draws his warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by him upon the redemption of the property included in his 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 him before sale and redemption.

## Tax Levies and Collections\*

<b>Year</b>	<b>Projected Gross Tax (\$) at 100%</b>	<b>Projected Net Tax Collected (\$) at 92-93% Less Assessors Fee</b>	<b>Actual (\$) Collected</b>	<b>Actual (%) Collected</b>
<u>2004-2005</u>				
General Current	2,320,432	2,114,841	2,381,966	112.63
<u>2005-2006</u>				
General Current	2,518,449	2,297,782	2,539,918	110.54
<u>2006-2007</u>				
General Current	2,607,280	2,378,830	2,777,872	116.77
<u>2007-2008</u>				
General Current	2,866,577	2,615,407	N/A	N/A
<u>2008-2009</u>				
General Current	3,073,684	2,804,368	N/A	N/A
Bond Levy	536,667	536,667	N/A	N/A

\*Note: The Board of Education plans to hold an election for an excess levy in November of 2008. If passed, the excess levy would be effective for Fiscal Year beginning 2010. Source: Braxton County Board of Education

## 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 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. 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 2008 assessment year valuations are made as of July 1, 2007, with taxes levied and collected during the fiscal year July 1, 2008, through June 30, 2009.

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 State 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, provides 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 Braxton County School District includes all of Braxton 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. 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. The legislation limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The legislation specifically provided that assessors should not implement the reappraisal described above. The legislation requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

Assessed Valuation By Property Class\*

Class	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
I	3,108,882	3,248,675	3,866,324	3,788,355	-0-
II	114,716,458	125,992,630	134,860,994	146,721,970	152,472,594
III	186,693,382	204,625,439	217,944,868	255,171,113	279,056,810
IV	<u>38,427,060</u>	<u>38,993,890</u>	<u>38,755,309</u>	<u>39,925,209</u>	<u>40,800,372</u>
Total	342,945,782	372,860,634	395,427,495	445,606,647	472,329,776

Assessed Valuation By Property Category\*

Category	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Real	188,498,960	202,966,930	219,818,570	243,222,430	258,813,330
Personal	100,587,892	114,812,630	119,682,583	142,740,904	152,783,048
Public Utility	<u>53,858,930</u>	<u>55,081,074</u>	<u>55,926,342</u>	<u>59,643,313</u>	<u>60,733,398</u>
Total	342,945,782	372,860,634	395,427,495	445,606,647	472,329,776

\*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded amounted to:

\$28,617,066 in 2004-2005      \$30,313,124 in 2006 – 2007      \$31,434,954 in 2008 - 2009  
 \$29,478,732 in 2005-2006      \$30,796,278 in 2007 - 2008

Largest Assessed Valuations (2008)\*

Property Owner	Assessed Valuation (\$)
Weyerhaeuser	40,633,568
Skidmore Development, Inc.	5,150,040
Island Creek Coal Co.	4,962,430
Brooks Run Mining Co. LLC	3,604,334
Wolfpen Knob Development Co	3,147,910
Skidmore & Woodward Development	2,473,980
Babcock Lumber Company	2,339,745
Mid State Automotive Inc	1,647,442
Appalachian Timber	1,628,679
S & R Gas Ventures	1,573,936

\*The assessed valuations include real and personal property in Class III or IV.

Source: Braxton County Assessor

Tax Rate Comparisons.

The following shows Braxton 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 2008; Fiscal Year 2008 - 2009.

**Rates of Levy\***

County	Class I	Class II	Class III/IV
BRAXTON	37.56	75.12	150.24
Gilmer	47.01	94.02	188.04
Calhoun	42.69	85.38	170.76
Clay	40.36	80.72	161.44
Lewis	46.31	92.62	185.24
Nicholas	47.26	94.52	189.04
Webster	33.27	66.54	133.08

\*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 \$.2295 per \$100 assessed valuation in respect to Class I, \$.4590 per \$100 in respect to Class II, and \$.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)**

Class	School Current Levy				
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
I	20.48	20.48	20.05	19.40	19.40
II	40.96	40.96	40.10	38.80	38.80
III and IV	81.92	81.92	80.20	77.60	77.60

**School Excess Levy**

The Board did not have an excess levy for fiscal year ending 2005 through fiscal year ending 2009. The Board does have an excess levy on the November 2008 ballot.

### School Bonds

Class	2008-2009
I	3.73
II	7.46
III and IV	14.92

The Board did not have an bond levy for fiscal year ending 2005 through fiscal year ending 2008.

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8 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 Braxton County Board of Education, but not including those relating to the proposed bond issue, in cents per \$100 assessed valuation for the 2008-2009 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	14.18	28.36	56.72
School Current	19.40	38.80	77.60
School Bonds	3.73	7.46	14.92

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 2008-2009 fiscal year.

Municipality	Class I	Class II	Class IV
Burnsville	12.50	25.00	50.00
Flatwoods	11.50	23.00	46.00
Gassaway	12.50	25.00	50.00
Sutton	12.50	25.00	50.00

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 (2007)	14,639
Assessed Valuation*	\$472,329,776
Debt Limit (5% of Assessed Valuation)	23,616,488
Outstanding Debt (including the Series 2008 Bonds)	\$16,100,000
Debt Contracting Margin	7,516,488
Per Capita Debt	\$1,100
Outstanding Debt as percentage of Assessed Valuation	3.41%

\*Assessed Value is estimated to be approximately 60% of appraised or market value (Fiscal Year 2009).

Debt Service Requirements

Upon issuance of the Bonds, based on the interest rates and yields set forth on the cover page, the Board will have the following debt:

**Schedule of Bond Indebtedness  
Public School Bonds**

<b>Year Ending June 30</b>	<b>Series 2008 Principal (\$)</b>	<b>Series 2008 Interest (\$)</b>	<b>Total (\$)</b>
2009	0	423,941.49	423,941.49
2010	485,000	723,312.50	1,208,312.50
2011	510,000	701,487.50	1,211,487.50
2012	535,000	681,087.50	1,216,087.50
2013	565,000	663,700.00	1,228,700.00
2014	590,000	645,337.50	1,235,337.50
2015	620,000	624,687.50	1,244,687.50
2016	655,000	602,987.50	1,257,987.50
2017	685,000	578,425.00	1,263,425.00
2018	720,000	551,025.00	1,271,025.00
2019	755,000	522,225.00	1,277,225.00
2020	795,000	482,587.50	1,277,587.50
2021	835,000	442,837.50	1,277,837.50
2022	875,000	401,087.50	1,276,087.50
2023	920,000	357,337.50	1,277,337.50
2024	965,000	311,337.50	1,276,337.50
2025	1,010,000	267,912.50	1,277,912.50
2026	1,065,000	214,887.50	1,279,887.50
2027	1,115,000	166,962.50	1,281,962.50
2028	1,170,000	114,000.00	1,284,000.00
2029	<u>1,230,000</u>	<u>58,425.00</u>	<u>1,288,425.00</u>
<b>TOTAL</b>	<b>16,100,000</b>	<b>9,535,591.49</b>	<b>25,635,591.49</b>

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 State 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 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 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 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 State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### 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-<br>December | All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.   |
| January-<br>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.<br><br>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

**Revenues, Expenditures and Changes in Fund Balance -- Regulatory Basis  
Budget and Actual  
General Current Expense Fund  
Year ended June 30**

	2006 Budget	2006 Actual	2007 Budget	2007 Actual	2008 Budget	2009 Budget
<i>Revenues Collected:</i>						
Local Sources:						
Property Taxes	2,297,783	2,539,917	2,378,830	2,777,872	2,615,407	2,804,368
Other Local Sources	192,440	316,507	235,289	415,747	180,400	180,400
State Sources						
Other Unrestricted					2,964,669	2,930,781
Federal Sources	<u>144,830</u>	<u>443,961</u>	<u>248,701</u>	<u>322,395</u>	<u>206,379</u>	<u>133,143</u>
Total Revenues Collected	15,278,588	16,002,889	15,543,751	16,193,683	15,846,371	16,051,689
<i>Expenditures Paid:</i>						
Instruction	9,695,995	9,200,892	9,487,474	9,449,116	9,924,684	10,162,367
<i>Supporting Services:</i>						
Students	694,023	647,720	780,465	648,747	786,418	673,979
Instructional Staff	285,830	290,964	343,939	332,198	359,789	373,230
Central Administration	528,443	508,110	485,101	473,435	480,969	512,825
School Administration	1,274,765	1,244,314	1,296,238	1,293,993	1,339,434	1,431,780
Business	262,466	236,317	284,336	281,610	282,808	300,922
Operation & Maintenance of Facilities	1,644,884	1,541,707	1,799,319	1,724,807	1,593,192	1,719,515
Student Transportation	1,820,679	1,722,126	1,794,846	1,758,637	1,822,252	1,896,643
Food Services	2,154	2,154				
Community Services	38,390	36,711	38,390	37,003	38,390	38,390
Capital Outlay	462,976	180,503	531,200	178,991	16,627,936	17,119,651
<i>Debt Service:</i>						
Principal Retirement						
Interest & Fiscal Charges						
Total Expenditures	16,710,605	15,611,519	16,841,308	16,178,537	16,627,936	17,477,140
Excess (Deficiency) of Revenues over Expenditures	<u>(1,432,017)</u>	<u>391,370</u>	<u>(1,297,557)</u>	<u>15,146</u>		
Total Other Financing Sources (Uses)	(645,483)	(355,896)	(868,701)	(551,065)		
Net change in Fund Balance	(2,077,500)	35,474	(2,166,258)	(535,919)		
Fund Balance at July 1, 200__	<u>2,077,500</u>	<u>2,130,784</u>	<u>2,166,258</u>	<u>2,267,755</u>		
Fund Balance at June 30, 200__	-0-	2,166,258	-0-	1,731,836		

Source: Braxton County Board of Education

Teachers Retirement Systems (Source: State of West Virginia Consolidated Public Retirement Board)

**Teachers Retirement System (Defined Benefit)**

The Teacher's 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, 2007, 28,040 retirees and beneficiaries were receiving benefits. As of July 1, 2007, there are 19,529 active members. 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, 2007 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, 2007, the unfunded liability of TRS was \$3.47672 billion. The funded percentage was 51.3%. The TRS unfunded accrued liability should 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, 2007, there were approximately 19,164 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.

Insurance Coverage (Source: Braxton County Board of Education)

1. Type		<u>Amount in Force (FY 2008)</u>
Deluxe Commercial Property insurance		\$ 25,157,594
Deductible per occurrence		\$ 2,500
Machinery and Equipment insurance		\$ 1,065,905
Deductible per occurrence		\$ 1,000
Flood insurance		\$ 1,879,300
Deductible per occurrence		\$ 500
Public official position bond:	Superintendent	\$ 50,000
	Board President	\$ 50,000
	Treasurer	\$ 200,000
Fidelity Honesty Bond		\$

## 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 \$500 for private passenger vehicles or \$1,000 for other vehicle types including mobile equipment.

**DEFENSE COSTS.** Defense costs are in addition to the each occurrence limit of liability.

### **TAX MATTERS**

In the opinion of Bond Counsel, (a) under existing laws, regulations, 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 or corporations upon the conditions and subject to the limitations set forth in this section, and (b) under existing West Virginia Law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, in order for interest on the Bonds to be and remain exempt from federal income taxation, including restrictions that must be complied with throughout the term of the Bonds. These include requirements applicable to the use and investment of the proceeds of the Bonds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Board has covenanted to regulate the use and investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. Bond Counsel's opinion assumes compliance with such covenants and that the Board will take such actions.

The Code imposes an alternative minimum tax with respect to individuals and corporations on alternative minimum taxable income. Interest on the Bonds is not included in corporate or individual alternative minimum taxable income as an enumerated item of tax preference or other specific adjustment. However, a corporation is required to increase its alternative minimum taxable income by 75% of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to its current earnings adjustment and the alternative tax net operating loss deduction). For such purposes "adjusted current earnings" would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be includable in the applicable taxable base for the purpose of determining branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States.

Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Other consequences for federal income tax purposes of ownership of obligations such as the Bonds also result from the Code under certain circumstances. Owners of the Bonds should consult their own tax advisors as to the effects of the Code in their particular circumstances. Bond Counsel will render no opinion with respect to these or other collateral tax consequences of owning the Bonds.

## 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. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, 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 affect on the financial condition of the Board.

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 agreed for the benefit of the holders of the Bonds to provide each Nationally Recognized Municipal Securities Information Repository and, if established, the State Information Depository, on an annual basis on or before 300 days after the end of each fiscal year, certain financial and operating data and in a timely manner, notices of certain material events, in order to comply with Rule 15c2-12 promulgated by the Securities Exchange Commission (the "Rule"). The Board has agreed to employ the corporate trust services of United Bank, Inc., Charleston, West Virginia, to provide dissemination services in conjunction with continuing disclosure for its Series 2008 Bonds. The form of the Continuing disclosure Agreement is attached hereto as Appendix F.

## **SALE AT COMPETITIVE BIDDING**

The Bonds were offered by the Board at competitive bidding on September 17, 2008 in accordance with the Official Notice of Sale.

### **LEGAL MATTERS**

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Bowles Rice McDavid Graff & Love LLP West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Bonds.

### **UNDERWRITING**

Hutchinson, Shockey, Erley & Co. (the Underwriters") has agreed to purchase the bonds at an aggregate purchase price of \$16,118,165.90 (includes premium of \$18,165.90 and no accrued interest), pursuant to a proposal submitted on September 17, 2008 in connection with the Issuer's Official Notice of Sale of the Bonds, dated August 29, 2008. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing such Bonds into investment trusts) and others at prices lower than the public offering price on the cover page hereof. The Underwriter will purchase all the Bonds if any are purchased. The Underwriter expects to make a bona fide public offering of the Bonds at the prices set forth on the cover page hereto. However, such public offering prices may be changed after the initial offering by the underwriter.

### **RATINGS**

Standard & Poor's Corporation ("S&P") 55 Water Street, New York, New York, 10041, has assigned the Bonds its rating of 'AAA', with the understanding that the standard municipal bond insurance policy of FSA, guaranteeing the timely payment of principal of and interest on the Bonds, will be issued upon delivery of the Bonds. S&P has assigned an underlying rating of 'AA-'. 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.

### **FINANCIAL ADVISOR**

Raymond James & Associates, Inc., Charleston, West Virginia, Financial Advisor to the Board, or its directors or employees, may hold, own or dispose of bonds, including the Bonds, issued by the Board. Raymond James & Associates, Inc., may wish to bid alone or as a member of a syndicate for the purchase of the Bonds.

### **CONCLUDING STATEMENT**

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the \$16,100,000 in aggregate principal amount of The Board of Education of the County of Braxton Public School Bonds, Series 2008. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Braxton by Raymond James & Associates, Inc. in its capacity as Financial Advisor to the Board.

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.

So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are set forth as such and not as representation of fact. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of any of the Bonds.

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON

By: Ernie Moore  
President

**APPENDIX A**

**AUDIT REPORT OF  
BRAXTON COUNTY BOARD OF EDUCATION**

**For the Fiscal Year Ended June 30, 2007**

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**BRAXTON COUNTY BOARD OF EDUCATION**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**BRAXTON COUNTY BOARD OF EDUCATION  
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**BRAXTON COUNTY BOARD OF EDUCATION  
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
SCHEDULE OF FUNDS INCLUDED IN REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**GOVERNMENTAL FUND TYPES**

General Current Expense

Special Revenue Fund

Capital Projects Fund

**FIDUCIARY FUND TYPE**

Agency School Activities

**BRAXTON COUNTY BOARD OF EDUCATION  
BOARD OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

<u>Office</u>	<u>Name</u>	<u>Term</u>
	<u>Elective</u>	
Board Members:	Arlene Herndon	07/01/04 - 06/30/08
	John Campbell	07/01/06 - 06/30/10
	Ernie Moore	07/01/04 - 06/30/08
	Elizabeth Stewart	07/01/06 - 06/30/10
	Kathy Parker	07/01/06 - 06/30/10
	<u>Appointive</u>	
Board President	Arlene Herndon	
Superintendent	Carolyn D. Long	
Treasurer	Ginger Altizer	

**SULLIVAN WEBB, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
422 KINETIC DRIVE - P.O. BOX 2745  
HUNTINGTON, WEST VIRGINIA 25727-2745  
TELEPHONE: (304) 697-0565  
FACSIMILE: (304) 697-0567

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
WV SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS

BRUCE I. SULLIVAN, CPA  
CHARLES D. WEBB, MBA, CPA

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

Honorable Members of  
Braxton County Board of Education  
Sutton, West Virginia

We have audited the accompanying financial statements of the Braxton County Board of Education, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion 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 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Braxton County Board of Education, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2008, on our consideration of Braxton County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 and budgetary comparison information on pages 5 through 12 and 37 through 39 are not a required part 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 performed for the purpose of forming opinions on the financial statements that collectively comprise Braxton County Board of Education's basic 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 not a required part of the basic financial statements. Also, the accompanying other supplementary information of the schedule of changes in School Activity Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements of Braxton County Board of Education. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



February 28, 2008

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Our discussion and analysis of the Braxton County Board of Education's financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2007. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

**Financial Highlights**

- The Board's assets exceeded liabilities by \$12,897,850 at the close of the most recent fiscal year. Of this amount, a negative \$1,630,648 represents the fact that the unrestricted assets are unable to meet the obligation of the potential liabilities
- The Board's total net assets decreased by \$374,264. Approximately \$175,463 of this decrease is attributable to unexpected major repairs including replacing the boiler at Braxton County High School, replacing the roof at Flatwoods Elementary, and adding an elevator at Sutton Elementary. In addition \$202,166 was needed to complete the Braxton County High School/Fairmont State University Project.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$1,731,834, a decrease of \$535,921 in comparison with the prior year. The entire \$1,731,834 is available for spending at the Board's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,731,834, or 11 percent of total general fund expenditures.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) district-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.

**District-wide financial statements** - The district-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 or 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).

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The district-wide financial statements can be found on pages 13 - 14 of this report.

**Fund financial statements** - A fund is a grouping of related accounts that is 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 district-wide financial statements. However, unlike the district-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 district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-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 three 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 capital projects fund, all of which are considered major funds.

*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 district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 40 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 district-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 36 of this report.

### **District-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 \$12,897,850 at the close of the most recent fiscal year.

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current and other assets	\$ 3,738,433
Capital assets	<u>14,528,498</u>
<b>Total Assets</b>	<b>\$ <u>18,266,931</u></b>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities:</b>	
Current and other liabilities	\$ 1,820,405
Long-term liabilities outstanding	<u>3,548,676</u>
<b>Total Liabilities</b>	<b><u>5,369,081</u></b>
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt	14,528,498
Unrestricted	<u>(1,630,648)</u>
<b>Total Net Assets</b>	<b><u>12,897,850</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>18,266,931</u></b>

A comparative analysis will be provided in future years when prior year information is available.

- The Board's net assets reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, 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.
  
- The off-setting negative balance of *unrestricted net assets* illustrates the dramatic effect that the long-term payroll liabilities, specifically accrued sick leave payable, make on the financial stability of the Board.

The Board's net assets decreased by \$374,264 during the current year. The following discussion and analysis on governmental activities focuses on this decrease.

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The key elements of the decrease of the Board's net assets for the year ended June 30, 2007 are as follows:

	<u>Governmental Activities</u>
<b>REVENUES:</b>	
Program revenues:	
Charges for services	\$ 186,325
Operating grants and contributions	4,373,785
Capital grants and contributions	193,463
General revenues:	
Property taxes	2,882,250
Unrestricted state aid	12,677,668
Unrestricted grants and contributions	<u>845,686</u>
<b>Total Revenues</b>	<u>21,159,176</u>
<b>Expenses:</b>	
Instruction	<u>12,930,147</u>
Supporting services:	
Students	824,468
Instructional staff	675,253
District administration	594,778
School administration	1,287,946
Business services	305,667
Operation and maintenance	1,751,944
Transportation	<u>1,884,324</u>
<b>Total Supporting Services</b>	7,324,381
Food services	1,241,862
Community services	<u>37,050</u>
<b>Total Expenses</b>	<u>21,533,440</u>
<b>Change in net assets before transfers</b>	<u>(374,264)</u>
<b>Transfers</b>	<u>-0-</u>
<b>Change in net assets</b>	(374,264)
<b>Net assets - July 1, 2006</b>	<u>13,272,114</u>
<b>Net assets - June 30, 2007</b>	\$ <u>12,897,850</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The decrease in revenues for 2007 was approximately \$3,242,021. The breakdown of the significant changes in revenue came from the following sources:

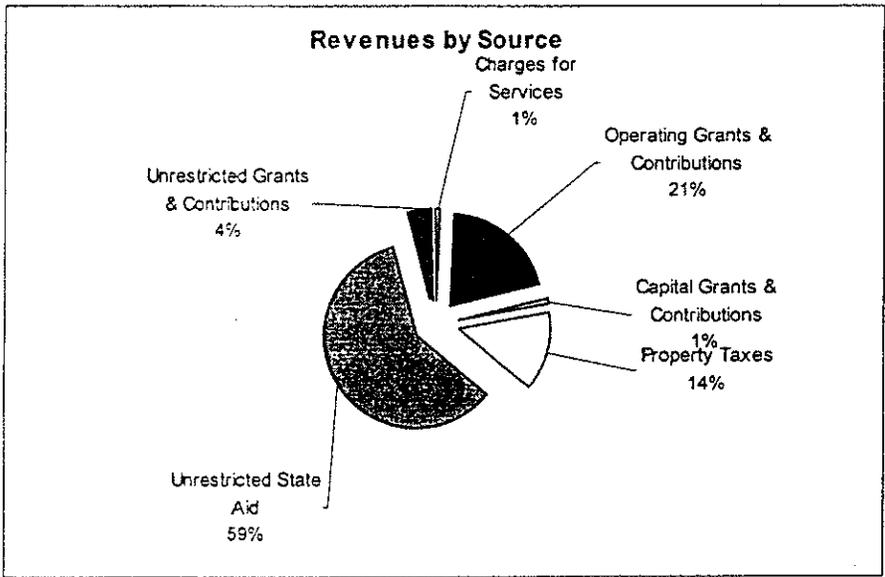
1. Increase in Property Taxes	\$ 237,954
2. Increase in Other Local Sources	119,370
3. Decrease in Intermediate Sources	(887,880)
4. Decrease in State Sources	(2,308,527)
5. Decrease in Federal Sources	(402,335)

The decrease in Intermediate and State Sources are largely attributed to the completion of an SBA project at BCHS.

The decrease in Federal Sources includes a change in Medicaid billing which resulted in approximately \$95,651 less reimbursements received.

A comparative analysis of revenues will be provided in future years when prior year information is available.

The following chart shows the Board's revenues for fiscal year ended June 30, 2007 by source:



The decrease in expenditures for 2007 was approximately \$2,645,229. The breakdown of the significant changes in expenses came from the following functions:

1. Increase in Operation and Maintenance	\$ 200,689
2. Increase in Student Transportation	112,412
3. Increase in Food Service	88,986
4. Decrease in Capital Outlay	(3,054,143)

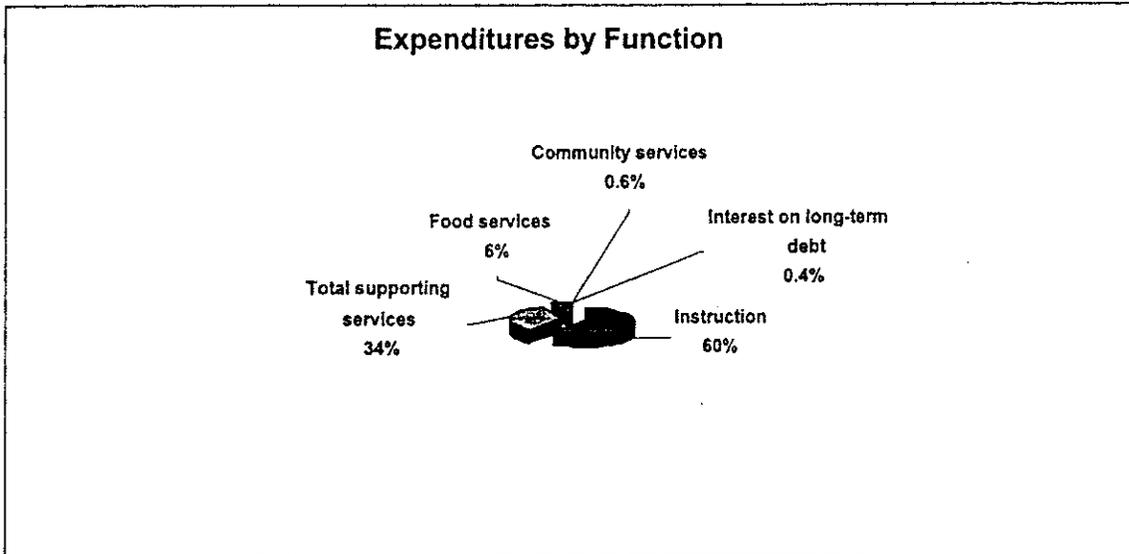
**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The increases in the three functions above are largely caused by continually rising costs, especially the additional costs related to fossil fuels.

The decrease in Capital Outlay was due to the completion of the SBA project at BCHS in August 2007.

A comparative analysis of expenditures will be provided in future years when prior year information is available.

The following chart shows the Board's expenditures for fiscal year ended June 30, 2007 by function:



### Financial Analysis of the Board's Funds

As noted earlier, the School 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 \$1,731,834.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the Board's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the Board's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. The \$1,731,834 fund balance of the general fund is for the following purpose:

1. Encumbrances totaling \$58,562
2. Designated funds totaling \$1,615,970
3. Undesignated \$57,302.

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**Designated Funds**

	<u>Amount</u>
Re-establish On-going Local Projects	\$ 313,005
Support of Middle and High School Bands	20,000
Support Schools in Achievement Goals	40,000
Support Schools in Playground Enhancement (Carryover from FY-07)	19,675
Offset Insurance Increases	18,828
Supplement Salary Expenditure Line (Over Formula and Extra Days)	<u>1,204,462</u>
 Total Unreserved Fund Balance - Designated	 \$ <u>1,615,970</u>

**General Fund Budgetary Highlights**

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$1,020,641 or 6% in total general fund expenditures. The most significant differences may be summarized as follows:

1. Increase in the Operation and Maintenance of Facilities budget directly relates to additional expenses for major repairs including roofs, boilers, etc.
2. Increase in the Capital Outlay budget was to facilitate the completion of the addition to Braxton County High School.

**Capital Asset and Debt Administration**

**Capital Assets** – The Board’s investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$14,528,498 (net of accumulated depreciation). This investment in capital assets includes land, 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 2.5%.

Major capital asset events during the current fiscal year included the following:

1. Completion of the addition to Braxton County High School.

	<u>Amount</u>
Land	\$ 229,171
Buildings and improvements	13,277,969
Furniture and equipment	117,343
Vehicles	904,015
Construction in process	-0-
Total capital assets	\$ <u>14,528,498</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Additional information on the Board's capital assets can be found in Note 7 to the basic financial statements.

**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:

1. The rising costs associated with the price of fuel could affect the cost of many expenditures in the future, not just the ones directly related to fuel.
2. County funds will be needed to partially fund any/all raises passed by the State Legislature in the future due to the county having more employees than funded by the State Aid Formula.
3. The county is currently readying for a potential bond/levy election and enormous SBA project. The outcome, however uncertain, will obviously have large financial repercussions.

**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, please contact Braxton County Board of Education, 411 North Hill Road, Sutton, WV 26601, (304) 765-7101.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007**

<b>ASSETS</b>	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 2,611,387
Deposit with Workers Commission	-0-
Taxes receivable, net of allowance for uncollectible taxes	208,389
Food services receivable	5,583
Other receivables	184,390
Due from other governments:	
State aid receivable	9,139
PEIA allocation receivable	318,216
Reimbursements receivable	401,329
Capital Assets:	
Land	229,171
Buildings and improvements	19,496,511
Furniture and equipment	396,885
Vehicles	2,333,368
Less accumulated depreciation	<u>(7,927,437)</u>
Total capital assets, net of depreciation	<u>14,528,498</u>
<b>Total assets</b>	<u><b>18,266,931</b></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities:</b>	
Salaries payable and related payroll liabilities	1,147,676
PEIA premiums payable	494,428
Compensated absences	30,707
Accounts payable	127,595
Deferred revenues	19,999
Long-term obligations:	
Due within one year:	
Accrued sick leave payable	100,581
Due beyond one year:	
Accrued sick leave payable	<u>3,448,095</u>
<b>Total liabilities</b>	<u><b>5,369,081</b></u>
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt	14,528,498
Unrestricted	<u>(1,630,648)</u>
<b>Total net assets</b>	<u><b>\$ 12,897,850</b></u>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2007**

	Program Revenues				Net (Expense), Revenues &
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	in Net Assets Governmental Activities	
Governmental activities:					
Instruction	\$ 12,930,148	\$ -0-	\$ 2,841,451	\$ 112,538	\$ (9,976,159)
Supporting services:					
Students	824,468	-0-	200,704	7,680	(616,084)
Instructional staff	675,254	-0-	265,855	6,291	(403,108)
District administration	594,778	-0-	105,221	5,461	(484,096)
School administration	1,287,946	-0-	-0-	12,002	(1,275,944)
Business services	305,667	-0-	27,121	2,856	(275,690)
Operation and maintenance of facilities	1,751,944	-0-	15,295	16,325	(1,720,324)
Student transportation	1,884,324	-0-	171,812	18,312	(1,694,200)
Food services	1,241,862	186,325	746,326	11,501	(297,710)
Community services	<u>37,050</u>	<u>-0-</u>	<u>-0-</u>	<u>497</u>	<u>(36,553)</u>
<b>Total governmental activities</b>	<b><u>21,533,441</u></b>	<b><u>186,325</u></b>	<b><u>4,373,785</u></b>	<b><u>193,463</u></b>	<b><u>(16,779,868)</u></b>
General revenues:					
Property taxes					2,882,250
Unrestricted state aid					12,677,668
Unrestricted grants and contributions					845,686
Transfers in					814,331
Transfers (out)					<u>(814,331)</u>
<b>Total general revenues and transfers</b>					<b><u>16,405,604</u></b>
Change in net assets					(374,264)
Net assets - beginning, as restated					<u>13,272,114</u>
Net assets - ending					<b><u>\$ 12,897,850</u></b>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
BALANCE SHEET - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	General Current <u>Expense</u>	Special Revenue <u>Fund</u>	Total <u>Governmental</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,611,387	\$ -0-	\$ 2,611,387
Taxes receivable, net	208,388	-0-	208,388
Food service receivable, net	-0-	5,583	5,583
Other receivables	184,389	-0-	184,389
Due from other governments:			
State aid receivable	9,139	-0-	9,139
PEIA allocation receivable	318,216	-0-	318,216
Reimbursements receivable	-0-	401,329	401,329
Due from other funds	38,919	-0-	38,919
<b>Total assets</b>	<b>\$ <u>3,370,438</u></b>	<b>\$ <u>406,912</u></b>	<b>\$ <u>3,777,350</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Salaries payable and related payroll liabilities	924,113	223,563	1,147,676
PEIA premiums payable	385,070	109,358	494,428
Accounts payable	117,500	10,095	127,595
Deferred revenue	211,921	24,977	236,898
Due to other funds	-0-	38,919	38,919
<b>Total liabilities</b>	<b><u>1,638,604</u></b>	<b><u>406,912</u></b>	<b><u>2,045,516</u></b>
 <b>Fund Balances:</b>			
Reserved for:			
Encumbrances	58,562	-0-	58,562
Unreserved:			
Designated	1,615,970	-0-	1,615,970
Undesignated	<u>57,302</u>	<u>-0-</u>	<u>57,302</u>
<b>Total fund balances</b>	<b><u>1,731,834</u></b>	<b><u>-0-</u></b>	<b><u>1,731,834</u></b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ <u>3,370,438</u></b>	 <b>\$ <u>406,912</u></b>	

Amounts reported for governmental activities in the statement of net assets differ due to:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	14,528,498
Property taxes receivable and food service billings receivable 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	216,900
Accrued sick leave payable	(30,707)
Compensated absences	<u>(3,548,675)</u>
Net assets of governmental activities	<b>\$ <u>12,897,850</u></b>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	General Current <u>Expense</u>	Special Revenue <u>Fund</u>	Capital Project <u>Fund</u>	Total <u>Governmental</u>
<b>REVENUES:</b>				
Property taxes	\$ 2,777,872	\$ -0-	\$ -0-	\$ 2,777,872
Other Local sources	415,747	188,624	-0-	604,371
Intermediate sources	-0-	-0-	86,687	86,687
State sources	12,677,668	927,476	106,279	13,711,423
Federal sources	<u>322,395</u>	<u>3,439,529</u>	<u>-0-</u>	<u>3,761,924</u>
<b>Total revenues</b>	<u>16,193,682</u>	<u>4,555,629</u>	<u>192,966</u>	<u>20,942,277</u>
<b>EXPENDITURES:</b>				
Instruction	9,449,116	2,688,355	-0-	12,137,471
Supporting services:				
Students	648,747	179,977	-0-	828,724
Instructional staff	332,198	346,224	-0-	678,422
Central administration	473,435	116,123	-0-	589,558
School administration	1,293,993	-0-	-0-	1,293,993
Business	281,610	27,121	-0-	308,731
Operation and maintenance of facilities	1,724,807	35,947	-0-	1,760,754
Student transportation	1,758,637	215,512	-0-	1,974,149
Food services	-0-	1,239,723	-0-	1,239,723
Community services	37,003	47	-0-	37,050
Capital outlay	<u>178,991</u>	<u>55,500</u>	<u>395,132</u>	<u>629,623</u>
<b>Total expenditures</b>	<u>16,178,537</u>	<u>4,904,529</u>	<u>395,132</u>	<u>21,478,198</u>
Excess (deficiency) of revenues over expenditures	15,145	(348,900)	(202,166)	(535,921)
<b>Other financing sources (uses):</b>				
Transfers in	183,450	428,715	202,166	814,331
Transfers (out)	<u>(734,516)</u>	<u>(79,815)</u>	<u>-0-</u>	<u>(814,331)</u>
<b>Total other financing     sources (uses)</b>	<u>(551,066)</u>	<u>348,900</u>	<u>202,166</u>	<u>-0-</u>
<b>Net change in fund     balances</b>	<u>(535,921)</u>	<u>-0-</u>	<u>-0-</u>	<u>(535,921)</u>
Fund balances - beginning	2,166,258	208,944	-0-	2,375,202
Restatement of fund balance	<u>101,497</u>	<u>(208,944)</u>	<u>-0-</u>	<u>(107,447)</u>
Fund balances - beginning, as restated	<u>2,267,755</u>	<u>-0-</u>	<u>-0-</u>	<u>2,267,755</u>
<b>Fund balances - ending</b>	<u>\$ 1,731,834</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,731,834</u>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

Amounts reported for governmental activities in the statement of activities are different due to:

Net change in fund balances - total governmental funds	\$ (535,921)
Governmental funds report capital outlays as expenditures. However, in the statement of net assets, 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.	
Depreciation expense	(630,022)
Capital outlays	477,634
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.	216,900
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.	-0-
Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net assets in the statement of activities.	
Cost of assets disposed	(62,535)
Accumulated depreciation of assets disposed	59,716
Compensated absences are reported as liabilities in the statement of net assets, but are only reported in government funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.	
Accrued vacation payable	2,756
Accrued sick leave payable	97,208
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	<u>-0-</u>
Change in net assets of governmental activities	\$ <u>(374,264)</u>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
JUNE 30, 2007**

	<u>Agency Funds</u> <u>School Activity</u> <u>Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 238,977
Receivables	<u>-0-</u>
<b>Total Assets</b>	<b>\$ <u>238,977</u></b>
 <b>LIABILITIES</b>	
Due to other funds	\$ <u>238,977</u>
<b>Total Liabilities</b>	<b>\$ <u>238,977</u></b>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**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 accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The Braxton County Board of Education (School 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 district 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 14 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 School 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 School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable.

**B. District-wide and Fund Financial Statements**

The *district-wide financial statements* (the statement of net assets and the statement of activities) display information about the School 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 presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function.

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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 district are considered to be major funds for reporting purposes and are discretely presented in the accompanying financial statements.

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 purpose.

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 district, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the school district by a benefactor for the purpose of providing scholarships for graduates of the school district.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting**

The *district-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 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 collected within 60 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 as reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2007 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, 2007 consisted of the following:

	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>
State Investment Pool	<u>\$ 3,516,011</u>	<u>\$ 3,516,011</u>

**F. Food Service Receivables**

The accounts receivable for the Food Service Program has been reduced by \$3,062 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

**G. Other Receivables**

The accounts receivable for Medicaid has been reduced by \$2,709 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

**H. 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

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Capital Assets**

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the district-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 and 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:

<u>Assets</u>	<u>Years</u>
Buildings	50
Site Improvements	20 - 35
Furniture and Equipment	5 - 20
Vehicles	8 - 12

**J. 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 up to 10 and unlimited days, respectively, and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred. In lieu of a cash payment at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

**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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 liability is being reported utilizing the guidance of GASB Statement 16, however, this liability should be recorded utilizing the guidance of GASB statements 43 and 45 when these statements become effective in fiscal year 2008.

**K. Long-term Obligations**

In the district-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.

**L. Restricted Net Assets**

For the district-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.

**M. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent that portion of fund equity committed by official Board action prior to June 30 of each year for specific purposes. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2007.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. 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.

**O. 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.

**P. 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.

**Q. Recent Accounting Statements**

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions*. This statement establishes accounting and reporting for other post employment benefits (OPEB) expense/expenditures and related OPEB assets or liabilities, note disclosures, and required supplementary information in the financial statements of state and local governments. The Board intends to adopt the provisions of this statement for the year ended June 30, 2008

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**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. Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statute, 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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

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.

Revisions to the budget are authorized only with the prior written approval of the State Board of Education.

**B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances**

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2007:

<u>Fund</u>	<u>Amount</u>
General Current Expense	\$ 535,921

Funds sufficient to provide for the excess expenditures were made available from beginning fund balance and the deficiency had no impact on the financial results of the Funds.

**NOTE 3 - 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 34*: For the year ended June 30, 2007, the Board adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosure*, and GASB Statement No. 33, *Accounting and Financial Reporting for Certain Shared Nonexchange Revenues*. These statements establish standards for external financial reporting for state and local governments. GASB Statement No. 34 reports equity as "net assets" rather than "fund balance". Net assets are classified into four categories according to the availability of assets for satisfaction of Board obligations. The Board's net assets are classified as follows:

- **Invested in capital assets, net of related debt** - This represents the Board's total investment in capital assets, net of accumulated depreciation and reduce by the balances of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested capital assets, net of related debt.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 3 - CHANGE IN ACCOUNTING POLICY (CONTINUED)**

- **Restricted net assets, expendable** – This includes resources in which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including amounts deposited with trustees as required by revenue bond indentures.
- **Restricted net assets, nonexpendable** – This includes endowment and similar type funds un which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. (and, if applicable:) The Board does not have any restricted nonexpendable assets at June 30, 2007.
- **Unrestricted net assets** – This represents resources derived from other than capital assets or restricted net assets. These resources are used for transactions relating to the general operation of the Board, and may be used at the discretion of the Board to meet current expenses for any lawful purpose.

As a result of the adoption of GASB Statement No. 34, and related statements and the conversion of the financial statements from the statutory basis of accounting prescribed or permitted by the West Virginia Department of Education to accounting principles generally accepted in the United States of America, beginning net assets, as reconciled from beginning fund balance, was restated. Such effects of the restatement are as follows:

Total fund balances - July 1, 2006, as previously reported	\$ 2,375,203
Restatement of beginning fund balance for:	
Plus taxes revenue received in July and August 2006	16,304
Medicaid revenue received in July and August 2006	85,192
Less reserved for Special Projects correction	<u>(208,943)</u>
Total fund balances - July 1, 2006, as restated	2,267,756
Adjustments to reconcile fund balances to net assets - July 1, 2006:	
Capital assets, net of accumulated depreciation of \$7,357,130	14,683,705
Compensated absences	(33,463)
Accrued sick leave payable	<u>(3,645,884)</u>
Total net assets, July 1, 2006	\$ <u>13,272,114</u>

For the year ended June 30, 2007, the Board also implemented GASB Statement No. 40 Deposit and Investment Risk Disclosures, which updated the credit risk and disclosure requirements of GASB Statement No. 3, and established more comprehensive disclosure requirements, addressing interest rate risk and concentration of credit risk of the deposits and investments of state and local governments. The implementation of this statement resulted in additional disclosures relating to cash and investments.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 4 - 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, 2008 and to government employers July 1, 2012. Nearly every employer in the State, including all boards of education, who 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.

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 5 - 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 Assessors 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, 2007 were:

<u>Class of Property</u>	<u>Assessed Valuations For Tax Purposes</u>	<u>Current Expense</u>
Class I	\$ 3,886,324	20.05¢
Class II	\$ 134,860,994	40.10¢
Class III	\$ 217,944,868	80.20¢
Class IV	\$ 38,755,309	80.20¢

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 5 - PROPERTY TAXES (CONTINUED)**

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 distraint 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.

**NOTE 6 - EXCESS LEVY**

The Board did not have an excess levy in effect during the fiscal year ended June 30, 2007.

**NOTE 7 - CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2007, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, non-depreciable:				
Land	\$ 229,171	\$ -0-	\$ -0-	\$ 229,171
Construction in process	<u>3,814,499</u>	<u>219,737</u>	<u>(4,034,236)</u>	<u>-0-</u>
Total non-depreciable capital assets	<u>4,043,670</u>	<u>219,737</u>	<u>(4,034,236)</u>	<u>229,171</u>
Capital assets, depreciable:				
Buildings and improvements	15,462,275	4,034,236	-0-	19,496,511
Furniture and equipment	356,964	46,571	(6,650)	396,885
Vehicles	<u>2,177,927</u>	<u>211,326</u>	<u>(55,885)</u>	<u>2,333,368</u>
Total depreciable capital assets	<u>17,997,166</u>	<u>4,292,133</u>	<u>(62,535)</u>	<u>22,226,764</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,750,239)	(468,303)	-0-	(6,218,542)
Furniture and equipment	(273,124)	(13,068)	6,650	(279,542)
Vehicles	<u>(1,333,768)</u>	<u>(148,651)</u>	<u>53,066</u>	<u>(1,429,353)</u>
Total accumulated depreciation	<u>(7,357,131)</u>	<u>(630,022)</u>	<u>59,716</u>	<u>(7,927,437)</u>
Total depreciable capital asset, net	<u>10,640,035</u>	<u>3,662,111</u>	<u>(2,819)</u>	<u>14,299,327</u>
Total capital assets, net	\$ <u>14,683,705</u>	\$ <u>3,881,848</u>	\$ <u>(4,037,055)</u>	\$ <u>14,528,498</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Instruction	\$ 474,005
Supporting Services:	
Central administration	8,207
Operation and maintenance of facilities	12,035
Transportation	127,853
Food services	<u>7,922</u>
Total depreciation expense governmental activities	\$ <u>630,022</u>

**NOTE 8 - LONG-TERM DEBT**

The Board did not have any indebtedness in effect during the fiscal year ended June 30, 2007.

**NOTE 9 - LEASES**

The Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as capital leases, are for various terms. While these agreements contain clauses indicating that their continuation is subject to continuing appropriation by the Legislature, these leases are accounted for as capital leases and are considered noncancelable for financial reporting purposes. Other leases, principally for equipment, are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Operating lease expenditures for the year ended June 30, 2007 were \$4,338.

**NOTE 10 - 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, 2007, the Board's total payroll for all employees was \$12,663,466 and the payroll was \$12,256,362 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 a revenue or an 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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEM (CONTINUED)**

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 2006 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was \$ 4.7 billion as of July 1, 2006.

**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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEM (CONTINUED)**

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, 2007 and the two previous years were:

<u>Year ended June 30</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Required contributions	\$ 334,533,000	\$ 339,815,000	\$ 327,068,000
As a % of current year covered payroll	23.66 %	23.83 %	23.50 %

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2007 were:

Employees' contributions (6%)	\$ 299,975
Employer's contributions (15% or 7.5%)	<u>693,332</u>
Total contributions	\$ <u>993,307</u>

**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. A merger whereby the Defined Contribution Plan would cease to exist and all assets and members be transferred into the Defined Benefit Plan was slated to occur on July 1, 2006. However, that merger was ruled unconstitutional and is now being appealed by the CPRB.

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: Vanguard Money Market Fund, Bond Fund of America, Franklin Income Fund, Fidelity Growth Opportunities, Washington Mutual Investors, Federated Max-Cap, and Valic Individually Allocated Fixed Annuity.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEM (CONTINUED)**

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, 2006, this plan had approximately \$748.3 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 Milliman & Robertson, 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 FY2007 were:

Employees' contributions (4.5%)	\$ 326,559
Employer's contributions (7.5%)	<u>544,261</u>
Total contributions	\$ <u>870,820</u>

**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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 12 - RESTATEMENT OF BEGINNING FUND BALANCE**

The fund balance at the beginning of the year of the following fund(s) required restatements:

	<u>General Current Expense Fund</u>	<u>Special Revenue Fund</u>
Fund balance at June 30, 2006, as previously stated	\$ 2,166,258	\$ 208,944
Total adjustments (See Below)	<u>101,497</u>	<u>(208,944)</u>
Fund balance at June 30, 2006 restated	\$ <u>2,267,755</u>	\$ <u>-0-</u>

The adjustments consisted of the following:

<u>General Current Expense Fund</u>	
Taxes revenue received in July and August 2006	\$ 16,304
Revenue received in July and August 2006	85,192
 <u>Special Revenue Fund</u>	
Reserved for Special Projects to deferred revenue	(208,943)

**NOTE 13 - UNRESERVED FUND BALANCE -DESIGNATED**

The Board has designated a portion of the unreserved balance of the General Current Expense Fund at June 30, 2007 to be expended for the following purposes:

Flatwoods Roof Project	\$ 15,895
E-Rate - Technology Needs	15,038
Medicaid Reallocation - Building Maintenance	67,697
Medicaid Reallocation - Building Maintenance	137,106
Dana Brown - Burnsville Technology, Renovations and/or Tutoring	77,269
Supplement Salary Expenditure Line (Over Formula and Extra Days)	1,204,462
BCMS Band Allocation	10,000
BCHS Band Allocation	10,000
Burnsville Playground Allocation	3,002
Burnsville Support Achievement Goals	5,000
Davis Support Achievement Goals	5,000
Flatwoods Support Achievement Goals	5,000
Frametown Support Achievement Goals	5,000
Little Birch Playground Allocation	10,000
Little Birch Support Achievement Goals	5,000
Sutton Support Achievement Goals	5,000
BCMS Support Achievement Goals	5,000
BCHS Support Achievement Goals	5,000
BCHS Furniture and Equipment Allocation	6,673
Unrestricted - Liability Insurance Increase	17,560
Unrestricted - Property Insurance Increase	<u>1,268</u>
Total Unreserved Fund Balance - Designated	\$ <u>1,615,970</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 14 - COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS**

The Board did not have any known commitments, contingencies and/or subsequent events for the fiscal year ended June 30, 2007.

**NOTE 15 - INTERFUND BALANCES AND TRANSFERS**

The composition of Interfund balances as of June 30, 2007 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Due to/from other funds:</u>		
General Current Expense	Special Revenue Fund	\$ 38,919
<u>Interfund Transfers</u>		
General Current Expense to Capital Projects (BCHS/Fairmont Addition Project) County Contribution to Addition Project		\$ 202,166
General Current Expense to Special Revenue (Child Nutrition Project) County Contribution to Food Service Program		\$ 348,900

**NOTE 16 - 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 2,378,830	\$ 2,378,830	\$ 2,777,872	\$ 399,042
Other Local sources	134,400	235,289	415,747	180,458
State sources	12,664,031	12,680,931	12,677,668	(3,263)
Federal sources	<u>188,701</u>	<u>248,701</u>	<u>322,395</u>	<u>73,694</u>
<b>Total revenues</b>	<u>15,365,962</u>	<u>15,543,751</u>	<u>16,193,682</u>	<u>649,931</u>
<b>Expenditures:</b>				
Instruction	9,475,513	9,487,476	9,449,116	38,360
Supporting services:				
Students	798,719	780,465	648,747	131,718
Instructional staff	262,128	343,939	332,198	11,741
Central administration	479,228	485,101	473,435	11,666
School administration	1,288,685	1,296,238	1,293,993	2,245
Business	255,607	284,336	281,610	2,726
Operation and maintenance of facilities	1,462,145	1,799,319	1,724,807	74,512
Student transportation	1,760,254	1,794,846	1,758,637	36,209
Community services	38,390	38,390	37,003	1,387
Capital outlay	<u>-0-</u>	<u>531,200</u>	<u>178,991</u>	<u>352,209</u>
<b>Total expenditures</b>	<u>15,820,669</u>	<u>16,841,310</u>	<u>16,178,537</u>	<u>662,773</u>
Excess (deficiency) of revenues over expenditures	<u>(454,707)</u>	<u>(1,297,559)</u>	<u>15,145</u>	<u>1,312,704</u>
<b>Other financing sources (uses):</b>				
Transfers in	-0-	183,450	183,450	-0-
Transfers (out)	(348,899)	(734,516)	(734,516)	-0-
Reserves	<u>-0-</u>	<u>(317,636)</u>	<u>-0-</u>	<u>317,636</u>
<b>Total other financing sources (uses)</b>	<u>(348,899)</u>	<u>(868,702)</u>	<u>(551,066)</u>	<u>317,636</u>
<b>Change in fund balances</b>	(803,606)	(2,166,261)	(535,921)	1,630,340
<b>Fund balances - beginning</b>	<u>(803,606)</u>	<u>2,166,261</u>	<u>2,267,755</u>	<u>101,494</u>
<b>Fund balances - ending</b>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>1,731,834</u></u>	\$ <u><u>1,731,834</u></u>

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUND  
JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Local sources	\$ 163,042	\$ 191,294	\$ 188,624	\$ (2,670)
State sources	666,255	746,184	927,476	181,292
Federal sources	<u>3,373,165</u>	<u>4,847,204</u>	<u>3,439,529</u>	<u>(1,407,675)</u>
<b>Total revenues</b>	<u>4,202,462</u>	<u>5,784,682</u>	<u>4,555,629</u>	<u>(1,229,053)</u>
<b>Expenditures:</b>				
Instruction	34,254	3,540,418	2,688,355	852,063
Supporting services:				
Students	-0-	195,343	179,977	15,366
Instructional staff	32,813	465,157	346,224	118,933
Central administration	10,335	124,576	116,123	8,453
Business	-0-	33,546	27,121	6,425
Operation and maintenance of facilities	-0-	36,208	35,947	261
Student transportation	168,728	219,883	215,512	4,371
Food services	1,142,999	1,241,905	1,239,723	2,182
Community services	-0-	810	47	763
Capital outlay	-0-	<u>55,500</u>	<u>55,500</u>	<u>-0-</u>
<b>Total expenditures</b>	<u>1,389,129</u>	<u>5,913,346</u>	<u>4,904,529</u>	<u>1,008,817</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,813,333</u>	<u>(128,664)</u>	<u>(348,899)</u>	<u>(220,236)</u>
<b>Other financing sources (uses):</b>				
Transfers in	348,899	429,465	428,715	(750)
Transfers (out)	-0-	(79,816)	(79,815)	1
Reserves	<u>(3,162,232)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total other financing sources (uses)</b>	<u>(2,813,333)</u>	<u>349,649</u>	<u>348,900</u>	<u>(749)</u>
<b>Change in fund balances</b>	-0-	220,985	-0-	(220,985)
<b>Fund balances - beginning</b>	<u>-0-</u>	<u>(220,985)</u>	<u>-0-</u>	<u>220,985</u>
<b>Fund balances - ending</b>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intermediate sources	\$ -0-	\$ 86,687	\$ 86,687	\$ -0-
State sources	<u>-0-</u>	<u>271,143</u>	<u>106,279</u>	<u>(164,864)</u>
<b>Total revenues</b>	<u>-0-</u>	<u>357,830</u>	<u>192,966</u>	<u>(164,864)</u>
<b>Expenditures:</b>				
Capital outlay	<u>-0-</u>	<u>395,132</u>	<u>395,132</u>	<u>-0-</u>
<b>Total expenditures</b>	<u>-0-</u>	<u>395,132</u>	<u>395,132</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>(37,302)</u>	<u>(202,166)</u>	<u>(164,864)</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>-0-</u>	<u>202,166</u>	<u>202,166</u>	<u>-0-</u>
<b>Total other financing         sources (uses)</b>	<u>-0-</u>	<u>202,166</u>	<u>202,166</u>	<u>-0-</u>
<b>Change in fund balances</b>	-0-	164,864	-0-	(164,864)
<b>Fund balances - beginning</b>	<u>-0-</u>	<u>(164,864)</u>	<u>-0-</u>	<u>164,864</u>
<b>Fund balances - ending</b>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

**OTHER SUPPLEMENTARY INFORMATION**

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
<b>HIGH SCHOOLS:</b>				
Braxton Co. High - General	\$ 118,942	\$ 188,798	\$ 187,581	\$ 120,159
Braxton Co. High - Child Nutrition	<u>-0-</u>	<u>34,401</u>	<u>34,401</u>	<u>-0-</u>
Total High Schools	<u>118,942</u>	<u>223,199</u>	<u>221,982</u>	<u>120,159</u>
<b>MIDDLE AND JUNIOR HIGH SCHOOLS:</b>				
Braxton Co. Middle - General	90,542	175,032	180,200	85,374
Braxton Co. Middle - Child Nutrition	<u>-0-</u>	<u>46,318</u>	<u>46,318</u>	<u>-0-</u>
Total Middle and Junior High Schools	<u>90,542</u>	<u>221,350</u>	<u>226,518</u>	<u>85,374</u>
<b>ELEMENTARY SCHOOLS:</b>				
Burnsville - General	7,060	15,715	13,373	9,402
Burnsville - Child Nutrition	-0-	14,862	14,862	-0-
Davis - General	4,013	17,341	15,964	5,390
Davis - Child Nutrition	-0-	20,276	20,276	-0-
Flatwoods - General	5,158	14,611	15,193	4,576
Flatwoods - Child Nutrition	-0-	21,358	21,358	-0-
Frametown - General	316	11,876	11,457	735
Frametown - Child Nutrition	-0-	18,418	18,418	-0-
Little Birch - General	4,303	14,569	13,622	5,250
Little Birch - Child Nutrition	-0-	6,776	6,776	-0-
Sutton - General	6,176	14,693	12,778	8,091
Sutton - Child Nutrition	<u>-0-</u>	<u>17,640</u>	<u>17,640</u>	<u>-0-</u>
Total Elementary Schools	<u>27,026</u>	<u>188,135</u>	<u>181,717</u>	<u>33,444</u>
Total	\$ <u>236,510</u>	\$ <u>632,684</u>	\$ <u>630,217</u>	\$ <u>238,977</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>State Project Code</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Expenditures</u>
<b>U.S. Department of Health and Human Services</b>				
Head Start	93.600	32611	N/A	\$ 133,157
Head Start	93.600	32711	N/A	<u>589,480</u>
<b>Total Department of Health and Human Services</b>				<u>722,637</u>
<b>U.S. Department of Agriculture</b>				
USDA Distance Learning Pass through State Department of Education: Child Nutrition Cluster	10.855	34611	N/A	6,860
Food Service Program - Centralized	10.553	88711	N/A	1,213,338
Summer Food Service Program	10.559	88621	N/A	12,870
Summer Food Service Program	10.559	88721	N/A	738
Local Wellness Policy	10.555	49711	C266860	500
Donated Foods	10.550	88771	N/A	<u>55,880</u>
<b>Total Department of Agriculture</b>				<u>1,290,186</u>
<b>U.S. Department of Education</b>				
Pass-through State Department of Education				
Title II	84.367A	40711	C265453	160,607
Title II	84.367A	40611	C245752	95,327
Title I	84.010	41711	C260086	776,121
Title I - Handbooks	84.010	41612	C262068	399
Title I	84.010	41611	C238777	131,377
Title V	84.298A	42711	C265463	50,017
Title V	84.298A	42611	C245836	34,023
Special Education Cluster (IDEA)				
Idea Part B - Preschool	84.173	43721	C257465	51,613
Idea Part B	84.027A	43711	C257316	548,838
Idea Part B	84.027A	43611	C235719	20,052
Idea Part B - Discretionary	84.027A	43631	C252269	506
Idea Part B - Discretionary	84.027A	43632	C260533	6,031
Idea Part B - Discretionary	84.027A	43633	C270709	1,475

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>State Project Code</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Expenditures</u>
<b>U.S. Department of Education (Continued)</b>				
<b>Pass-through State</b>				
<b>Department of Education (Continued)</b>				
Vocational Education	84.048A	50711	C254796	\$ 50,838
Enhancing Education with Technology	84.318	58611	C240276	18,498
Title VI - Rural and Low Income	84.358B	59711	C265458	57,349
Title VI - Rural and Low Income	84.358B	59611	C245963	16,793
<b>Pass-through Fairmont State University</b>				
Gear Up	84.334A	74721	N/A	30,223
Gear Up	84.334A	74621	N/A	<u>1,907</u>
<b>Total Department of Education</b>				<b><u>2,051,994</u></b>
<b>Total Federal Awards</b>				<b>\$ <u>4,064,817</u></b>

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the grant activity of the Braxton County Board of Education and is presented on the cash basis of accounting. 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 the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. Food Distribution**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The Board received and disbursed \$55,880 in food commodities in the Donated Foods Program for the year ended June 30, 2007.

**REPORTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS**

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ACCOUNTANTS

## **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  
Braxton County Board of Education  
Sutton, West Virginia

We have audited the financial statements of Braxton County Board of Education, as of and for the year ended June 30, 2007, and have issued our report thereon dated February 28, 2008. 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**

In planning and performing our audit, we considered Braxton County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Braxton County Board of Education'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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Braxton County Board of Education Members, management, others within the Organization, federal awarding agencies and pass-through entities and the State of West Virginia and is not intended to be and should not be used by anyone other than these specified parties.



February 28, 2008

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CHARLES D. WEBB, MBA, CPA

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
WV SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Members of  
Braxton County Board of Education  
Sutton, West Virginia

**Compliance**

We have audited the compliance of Braxton County Board of Education, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Braxton County Board of Education'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 requirement of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Braxton County Board of Education's management. Our responsibility is to express an opinion on Braxton County Board of Education'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 Braxton County Board of Education'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 on Braxton County Board of Education's compliance with those requirements.

In our opinion, Braxton County Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### Internal Control Over Compliance

The management of Braxton County Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Braxton County Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Braxton County Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

This report is intended for the information of Braxton County Board of Education, management, and 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.



February 28, 2008

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**BRAXTON COUNTY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no findings for the year ended June 30, 2006.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF AUDIT RESULTS**

- 1) The auditor's report expresses an unqualified opinion on the financial statements of Braxton County Board of Education for the year ended June 30, 2007.
- 2) No significant deficiencies were noted during the audit of the financial statements of Braxton County Board of Education.
- 3) No instances of noncompliance material to the financial statements of Braxton County Board of Education were disclosed during the audit.
- 4) No matters involving the internal control over major programs of Braxton County Board of Education were disclosed that we consider to be significant deficiencies.
- 5) The auditor's report on compliance for major programs of Braxton County Board of Education expresses an unqualified opinion on all major federal programs.
- 6) No audit findings which were required to be reported under Section .510(a) of OMB Circular A-133 were noted.
- 7) The programs tested as major programs included:

<u>Program</u>	<u>CFDA #</u>
<b>Major Federal Programs</b>	
U.S. Department of Education	
Pass-through West Virginia	
Department of Education:	
Special Education Cluster (IDEA):	
Idea Part B	84.027A
Idea Part B - Preschool	84.173
Title II	84.367A
 U.S. Department of Agriculture	
Pass-through West Virginia	
Department of Education:	
Child Nutrition Cluster	10.553/10.555/10.559

- 8) The dollar threshold used to distinguish Type A Programs from Type B Programs of federal awards expended by Braxton County Board of Education for the year ended June 30, 2007 was \$300,000.
- 9) Braxton County Board of Education has qualified as a low-risk auditee under Section .530 of OMB Circular A-133 for the year ended June 30, 2007.
- 10) There were no audit findings for prior audit year ended June 30, 2006.

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

■ Noncompliance Finding

None

■ Reportable Conditions

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

■ Noncompliance Finding

None

■ Reportable Conditions

None

## APPENDIX B

### Economic and Demographic Data

#### COUNTY OF BRAXTON (WEST VIRGINIA)

##### Introduction

**Location:** Braxton County is located in the central part of the State of West Virginia. It is approximately 67 miles from the City of Charleston, West Virginia.

**County Seat:** The City of Sutton

**Commissioners:** Mike Chapman, President  
Teresa Frame  
David Jack, Sr.

##### Population

Year	Braxton County	West Virginia	United States
1990	13,021	1,792,548	249,622,814
2000	14,720	1,807,050	282,194,308
2006	14,606	1,808,699	298,754,819

Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

##### Economy

#### Per Capita Personal Income

County	1990	2000	2006	Rank in State
United States	\$19,477	\$29,845	\$36,714	---
West Virginia	\$14,493	\$21,904	\$28,206	---
Braxton County	\$11,357	\$15,580	\$20,293	51

Source: Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

#### Average Employment and Annual Wage

	Average Employment		Average Annual Wage	
	2000	2007	2000	2007
Braxton County	3,813	4,216	\$20,843	\$27,127
West Virginia	686,664	708,313	\$26,890	\$34,001

Source: West Virginia Bureau of Economic Analysis

### Average Annual Employment by Industry

Industry	2001	2007
Natural Resources & Mining	27	123
Construction	234	304
Manufacturing	438	389
Trade, Transportation & Utilities	833	834
Information	28	29
Financial Activities	93	119
Professional & Business Services	177	181
Education & Health Services	571	739
Leisure and Hospitality	487	450
Other Services	82	76
Government	<u>839</u>	<u>967</u>
<b>TOTAL</b>	<b>3,809</b>	<b>4,216</b>

Source: West Virginia Bureau of Economic Analysis

### Braxton County Ten Largest Employers (2007)

Employer	Product/Service
Braxton County Board of Education	Education
Weyerhaeuser Company	Services
Braxton County Memorial Hospital	Health
Go-Mart, Inc.	Services
Braxton County Senior Citizen Center, Inc.	Services
Central WV Aging Service, Inc.	Non-Profit
Mountain Cap of West Virginia	Non-Profit
Bi-Con Services, Inc.	Pipeline Laying
ANR Coal – West Virginia, LLC	Mining
John Skidmore Development, Inc. (Sutton Inn, Flatwoods Discount)	Services

Source: West Virginia Bureau of Economic Analysis

### Average Annual Unemployment Rates (%)

Year	Braxton County	West Virginia
2002	7.6	5.9
2003	7.4	6.0
2004	5.9	5.3
2005	5.8	5.0
2006	5.3	4.7
2007	5.4	4.6

Source: West Virginia Bureau of Economic Analysis

**Wages Per Industry (2007) (\$)**

<b>Industry</b>	<b>Total Wages</b>	<b>Average Weekly Wage</b>
Natural Resources & Mining	6,002,080	938.40
Construction	11,413,668	722.02
Manufacturing	16,413,997	811.44
Trade, Transportation & Utilities	21,382,438	493.04
Information	949,580	629.69
Financial Activities	3,294,718	532.44
Professional & Business Services	6,340,861	673.69
Education & Health Services	15,125,019	393.60
Leisure and Hospitality	5,197,931	222.13
Other Services	2,093,399	529.71
Government	26,125,665	519.56
<b>TOTAL</b>	<b>114,369,602</b>	<b>521.69</b>

Source: West Virginia Bureau of Economic Analysis

**Total Wages (2007) (\$)**

<b>Year</b>	<b>Braxton County</b>	<b>West Virginia</b>
2002	89,172,010	19,549,827,426
2003	93,882,773	19,849,663,121
2004	100,402,338	20,868,401,449
2005	104,868,868	21,793,516,080
2006	109,478,447	23,079,570,075
2007	114,369,602	24,083,126,318

Source: West Virginia Bureau of Economic Analysis

Community Data

<b>Education Facilities</b>	
Elementary	6
Middle or Jr. High	1
High Schools	1
Vocational Schools	0
Colleges:	
Glenville State College, Glenville, Gilmer County	
Glenville State Community & Technical College (Satellite), Braxton County	
Fairmont State University's Pierpoint Community & Technical College (Satellite), Braxton County	

<b>Recreational Facilities</b>	
State Forests	0
State Parks	0
Wildlife Management Areas	2
Public Hiking Trails	7.4
Public Fishing & Boating Lakes	3
Recreational Rivers (boating/rafting)	1
Museums/Art Galleries	0
Golf Courses - Private/Public	0/0
National Forests	0
National Park & Recreational Areas	0
Amphitheaters/Performing Arts Centers	1
Pro/Semi-pro Sports Teams	0
Regional Shopping Centers/Malls/outlets within 25 miles	1
Major Private Recreation/Resort Areas	0

<b>Medical</b>	
Hospitals	1
Beds	25
Doctors	11
Dentists	4
Licensed Nursing Homes	1
Beds	65

<b>Transportation</b>	
Highways:	
Interstates	1-79
WV Routes	4, 5, 15
US Routes	19
Parcel service carriers	
River, nearest navigable	Kanawha
Industrial Parks	0
Industrial Sites	0
Airports:	Braxton Co., Sutton, WV
	Harrison-Marion Regional, Bridgeport, WV
	Pittsburgh Intl., Pittsburgh, Pa.
Railroads:	Freight
Motor Freight Carriers	1
Bus Service	2

<b>Media</b>	
Newspapers:	2
Telephone:	2
TV Station	0
Radio Stations	2

<b>Utilities</b>	
Electricity:	1 - private
Natural Gas:	4

<b>Other Data</b>	
Licensed Day Care Centers	1
Banks (including branches)	6
Libraries	3

Source: West Virginia Bureau of Economic Analysis

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September 30, 2008

The Board of Education of the County of Braxton  
411 North Hill Road  
Sutton, West Virginia 26601

Re: \$16,100,000 The Board of Education of Braxton County  
[West Virginia] Public School Bonds, Series 2008

Dear Ladies and Gentlemen:

We have examined a record of the proceedings relative to the issuance and sale of \$16,100,000 Public School Bonds, Series 2008 (the "Bonds"), of Braxton County School District, by and through The Board of Education of the County of Braxton (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated September 30, 2008, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of \$5,000 or integral multiples thereof, mature on May 1 in the years and amounts and bear interest payable each May 1 and November 1, commencing May 1, 2009, as follows:

Year	Principal Amount	Interest Rate
2010	\$485,000	4.50%
2011	510,000	4.00
2012	535,000	3.25
2013	565,000	3.25
2014	590,000	3.50
2015	620,000	3.50
2016	655,000	3.75
2017	685,000	4.00
2018	720,000	4.00
2019	755,000	5.25
2020	795,000	5.00
2021	835,000	5.00
2022	875,000	5.00

The Board of Education of the County of Braxton  
 September 30, 2008  
 Page 2

<i>(cont.)</i> Year	Principal Amount	Interest Rate
2023	920,000	5.00
2024	965,000	4.50
2025	1,010,000	5.25
2026	1,065,000	4.50
2027	1,115,000	4.75
2028	1,170,000	4.75
2029	1,230,000	4.75

The Bonds were authorized at the primary election held in the Braxton County School District on May 13, 2008, and by a Resolution and Order adopted by the Issuer on February 19, 2008, as supplemented (such Resolution and Order, as supplemented, herein called the "Resolution"), and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction, renovation, repair and equipping of certain public school buildings, together with the sites thereof and all necessary appurtenances, in the Braxton County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution, a Tax and Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based upon the foregoing, and assuming compliance with the representations, covenants and certifications of the Issuer contained in the Resolution, the Tax Certificate and the certified proceedings and the certifications made in connection with the issuance of the Bonds, we are of the opinion that, under existing law:

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the

The Board of Education of the County of Braxton  
September 30, 2008  
Page 3

Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has power and is obligated to levy ad valorem taxes upon all the taxable property within the Braxton County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the bonds is not includable in 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 upon individuals and corporations; it should be noted, however, that interest on the Bonds held by a corporation May be indirectly subject to alternative minimum tax because of its inclusion in the reported income or earnings and profits of such corporate holder. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution and the Tax Certificate of the Issuer. Failure to comply with such representations, covenants and certifications could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. Under the Act, as presently written and applied, the Bonds are exempt from direct taxation by the State of West Virginia or any political subdivision thereof and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

In expressing this opinion, we have considered the litigation instituted in certain states including the State of West Virginia, such as *Pauley v. Bailey*, 324 S.E.2d 128 (W.Va. 1984) challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and, in our opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Braxton County, West Virginia, for the payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in this opinion.

Please be advised that the enforcement of remedies with respect to the Bonds is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that enforcement May also be subject to the exercise of judicial discretion in appropriate cases.

The Board of Education of the County of Braxton  
September 30, 2008  
Page 4

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 authorized.

Very truly yours,

## PROPOSED PROJECTS

	PROJECT	LOCATION	ESTIMATED COST
1	<p><b>Frametown Elementary</b> Construct two classrooms, a mechanical room, kitchen addition and two student restrooms</p> <p>Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting – interior/exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.</p>	Existing Frametown Elementary School, Frametown, WV	Bond Funds \$2,590,775
2	<p><b>Little Birch Elementary</b> Construct two classrooms, two student restrooms and mechanical room.</p> <p>Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.</p>	Existing Little Birch Elementary School, Little Birch, WV	Bond Funds \$2,863,781
3	<p><b>Burnsville Elementary</b> Construct elevator and elevator connector</p> <p>Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment.</p>	Existing Burnsville Elementary School	Bond Funds \$3,114,833
4	<p><b>Braxton County Middle School</b> Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers.</p>	Existing Braxton County Middle School	Bond Funds \$1,346,810
5	<p><b>Braxton County High School</b> Renovations to include: new VCT flooring, base, painting – interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment.</p>	Existing Braxton County High School	Bond Funds \$3,368,122

**6 Davis Elementary**

Construction of two classrooms, two student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical room and stairs.

Existing Davis  
Elementary School

Bond Funds  
\$1,602,979  
Grant Funds  
\$3,263,783

Renovations to include: restrooms, new lighting, flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, plumbing upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment

**7 Flatwoods Elementary School**

Construction of five classrooms, physical education classroom, gym storage, two student restrooms, mechanical room and kitchen addition.

Existing  
Flatwoods  
Elementary School

Bond Funds  
\$725,369  
Grant Funds  
\$2,865,702

Renovations to include: restrooms, new lighting and ceiling tiles, painting – interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.

**8 Sutton Elementary School**

Construction of two classrooms, student restrooms and mechanical room.

Existing  
Sutton  
Elementary School

Bond Funds  
\$438,655  
Grant Funds  
\$1,670,515

Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting – interior/exterior, fire suppression system, window asbestos abatement, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, nr furnishing and equipment, exterior ramp removal and sidewalk renovations and repairs.

**TOTAL PROPOSED BOND CALL**

Project Costs:	\$23,851,324
Plus Costs of Issuance:	\$48,676
Less Third Party Funds:	<u>\$7,800,000</u>
Total:	\$16,100,000

**ELECTED OFFICIALS OF THE BOARD**

**Ernie Moore – President**

Mr. Moore, a native of Parkersburg, is a graduate of Parkersburg High School. He received his BA degree in education from Glenville State College, attending West Virginia University for his Masters of Science. Mr. Moore coached and taught in four school systems before coming to Braxton County in 1977. He served as head football coach, taught in the classroom, and was an assistant principal before retiring in 1997.

Mr. Moore was elected to serve on the Braxton County Board of Education in 2004, and was re-elected in 2008, where he currently serves as the board's president. He also is currently a member of the Board of Directors of the WVSSAC as representative for the Boards of Education of all West Virginia counties.

**John Campbell - Member**

Mr. Campbell resides in Sutton, West Virginia. He is a retired Court reporter. Mr. Campbell previously served on Braxton County Board of Education from 1976 to 1982. He is a former member of the West Virginia House of Delegates from 1990 to 1994 and current member of the Sutton Lions Club and Braxton County Rotary Club. He is also a member and Elder of the Davis Memorial Presbyterian Church.

**Roger W. Hall – Member**

Mr. Hall resided in Duck, West Virginia. He graduated from Gassaway High School and spent twenty (20) years working in Akron, Ohio. Mr. Hall returned to Braxton County in 1988 and has owned and operated Hall's Kitchens and Baths since then. He is Chairman of the Sugar Creek PSD Board.

**Elizabeth Stewart – Member**

Elizabeth Stewart resides in Sutton, West Virginia, and was born in Braxton County, where she has spent most of her life living and working. She graduated from Burnsville High School in 1961 and attended Glenville State College where she graduated in 1964. She taught in Pocahontas County until 1969 and in Braxton County at Braxton County High School until retirement in 1998. She has served as a member of the Braxton County Board of Education since 2004.

**Kathy Parker – Member**

Kathy Parker resides in Heaters, West Virginia. She holds a Bachelor's Degree in Accounting and worked in the stock brokerage industry for almost 5 years before starting her own accounting business, which she maintained for over 22 years. She has been involved in the local schools, including as a volunteer, PTA member and officer, Local School Improvement Council (LSIC), Braxton County School-to-Work Partnership, and BCHS Vocational Advisory Committee. Her company is a Partner-in-Education with Burnsville Elementary School.

## **APPOINTED OFFICIALS OF THE BOARD**

### **Carolyn D. Long, Superintendent**

Carolyn D. Long is a 1970 graduate of Fairmont State College with a degree BA Degree in Elementary Education. Ms. Long has a Masters in Education Administration from West Virginia College of Graduate Studies. Ms. Long taught school in Kanawha County from 1971 to 1975 at Big Chimney Elementary. She continued her teacher career at Little Birch Elementary during the years of 1976 through 1981. Ms. Long served as Principal at Little Birch Elementary from 1986 through 1995. The Braxton County Board of Education appointed Ms. Long Superintendent on July 1, 2001. Ms. Long is an active member of WVASA, and is Chair of the West Virginia University Board of Governors.

### **Charles Michael McCoy, Assistant Superintendent**

Charles Michael McCoy is a 1970 graduate of Glenville State College. Mr. McCoy received his Masters Degree in Educational Administration from West Virginia University in 1975. Mr. McCoy served as Principal at Burnsville Elementary from 1972 - 2004. In 2004 Mr. McCoy was appointed Assistant Superintendent of Braxton County Schools. Mr. McCoy is member of the Pierpont Community and Technical College Board of Advisors.

### **Ginger L. Altizer, Treasurer**

Ginger L. Altizer was appointed Treasurer/Director of Finance in September of 2000. She graduated from Marshall University in 1993 where she earned her Bachelors of Business Administration. Her prior career includes being an accounting manager for a major WV ski resort and accounting/management responsibilities with various employers in the food service industry. She is the current President for the West Virginia Association of School Business Officials and the Finance Board Chairperson for Summersville Baptist Church. She lives in Summersville, WV with her husband and two children.

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON (the "Issuer"), and United Bank, Inc. Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of \$16,100,000, The Board of Education of the County of Braxton (West Virginia), Public School Bonds, Series 2008 (the "Bonds");

In connection with the foregoing, and in consideration thereof, the Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

Any filing under this Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "Central Post Office" or "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to MAC dated September 7, 2004, or to such other entity approved by the Board and the Dissemination Agent.

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

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which 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) and as the term may be modified by an interpretation of the Rule by the Securities and Exchange Commission (the "SEC").

"Disclosure Representative" shall mean the President of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time.

"Holders" shall mean (i) the registered owner of any Bond or (ii) the Beneficial Owner of any Bond.

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

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, (including the "voluntary central repository", etc.)

"Repository" shall mean each National Repository and the State 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.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"Underwriter" shall mean any of the underwriters in connection with the sale of the Bonds required to comply with the Rule in connection with the sale of the Bonds

**SECTION 3. Provision of Annual Reports.**

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 300 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2007-2008 Fiscal Year, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report 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 Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted, when and if available, separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give written notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent has not received a copy of the Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

**SECTION 4. Content of Annual Report.** The Issuer's Annual Report shall consist of the audited financial statements of the Issuer for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

**SECTION 5. Reporting of Listed Events.**

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

1. principal and interest payment delinquencies;
2. non-payment related defaults;
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 or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property security repayment of the securities; and
11. rating changes.

(b) The Dissemination 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 Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each Repository with a copy to the Issuer. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Issuer is not an obligated person with respect to the Bonds, as provided in the Rule. If the Issuer's obligations under this Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Issuer and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

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

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure 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 an obligated person 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



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 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter, the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. No previous Non-Compliance. The issuer represents that since July 3, 1995, they have not failed to comply in any material respect with any previous undertaking in a written contract or a agreement, as entered into by the Issuer specified in paragraph (b)(5)(i) of the Rule.

SECTION 15. Counterparts. This Disclosure 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 16. Fees. The Issuer agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 17. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the Issuer.

SECTION 18. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under this Disclosure Agreement and to rely upon an opinion of counsel.

Dated: \_\_\_\_\_, 2008.

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON (West Virginia)

By: \_\_\_\_\_

Title President

A West Virginia State Banking corporation,

By: \_\_\_\_\_

Title:

**EXHIBIT A**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligated Party:       The Board of Education of the County of Braxton (West Virginia)

Name of Bond Issue:            \$ \_\_\_\_\_ Public School Bonds, Series 2008

Date of Bond Issue:             \_\_\_\_\_, 2008

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(b) of this Disclosure Agreement dated \_\_\_\_\_, 2008, to be provided. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_,

\_\_\_\_\_  
on behalf of the Issuer

cc:     [Issuer]



**FINANCIAL  
SECURITY  
ASSURANCE®**

## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Premium: \$

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment

made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]

FINANCIAL SECURITY ASSURANCE INC.

By \_\_\_\_\_

By \_\_\_\_\_

Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.  
31 West 52<sup>nd</sup> Street, New York, N.Y. 10019

(212) 826-0100

Form 500NY (5/90)



# 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 BRAXTON [WEST VIRGINIA]

(Name of Issuer and Co-Issuer(s), if applicable)

September 23, 2008

(Date)

Attention: Underwriting Department  
The Depository Trust Company  
55 Water Street, 15L  
New York, NY 10041-0099

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] 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.

Received and Accepted  
**THE DEPOSITORY TRUST COMPANY**

By: \_\_\_\_\_



The Depository Trust &  
Clearing Corporation

Very truly yours,

The Board of Education of the County of Braxton  
[West Virginia]

(Issuer)

By: \_\_\_\_\_

(Authorized Officer's Signature)

Ginger L. Altizer, Treasurer

(Print Name)

411 North Hill Road

(Street Address)

Sutton, West Virginia - United States 26601-1398

(City)

(State)

(Country)

(Zip Code)

304-765-7101

(Phone Number)

galtizer@access.k12.wv.us

(E-mail Address)

BLOR 03/25/08

# The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

## Additional Signature Page to BLANKET ISSUER LETTER OF REPRESENTATIONS For use with Co-Issuers

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON [WEST VIRGINIA]

(Name of Issuer and Co-Issuer(s), if applicable)

In signing this Blanket Issuer Letter of Representations dated as of \_\_\_\_\_

Co-Issuer agrees to and shall be bound by all "Issuer" representations.

\_\_\_\_\_  
(Co-Issuer)

By: \_\_\_\_\_  
(Authorized Officer's Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City) (State) (Country) (Zip Code)

\_\_\_\_\_  
(Phone Number)

\_\_\_\_\_  
(E-mail Address)

Note: United Bank, Inc. will be FAST Transfer Agent (# 2719)

**SAMPLE OFFERING DOCUMENT LANGUAGE**  
**DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (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. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

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 Standard & Poor's highest rating: AAA. 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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 effect 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.



THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, WEST VIRGINIA  
\$16,100,000 PUBLIC SCHOOL BONDS, SERIES 2008

**CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS**

The undersigned, for and on behalf of Hutchinson, Shockey, Erley & Co. ("Purchaser"), and Ernie More, President, and Carolyn D. Long, Secretary, of THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON (the "Issuer"), hereby certify as follows:

1. On the 30th day of September, 2008, in New York, New York, the Purchaser received the entire original issue of \$16,100,000 in aggregate principal amount of The Board of Education of the County of Braxton Public School Bonds, Series 2008 (the "Bonds"). The Bonds, as so received on original issuance, are in various denominations, are dated September 30, 2008, and are numbered from R-1 to R-20, inclusive.

2. At the time of such receipt of the Bonds, all the Bonds had been executed by Ernie More, President, and Carolyn D. Long, Secretary, respectively, of the Issuer, by their respective facsimile signatures, and the official seal of the Issuer had been imprinted upon each Bond, and each Bond had been authenticated by United 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:

Total Bond Proceeds

Purchase Price (100% of par plus premium of \$18,165.90)	\$16,118,165.90
Accrued Interest	-0-
<b>TOTAL</b>	<b>\$16,118,165.90</b>

Payment for the Bonds was made in Federal Funds in the amount of \$16,118,165.90 on the date hereof.

IN WITNESS WHEREOF, Carly A. Scott, duly signed and delivered this receipt on behalf of the Purchaser and THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON has caused this receipt to be executed by its President and Secretary, this 30th day of September, 2008.

HUTCHINSON, SHOCKEY, ERLEY & CO.

By: Carly A. Scott  
Carly A. Scott, Vice President

THE BOARD OF EDUCATION OF THE  
COUNTY OF BRAXTON, WEST VIRGINIA

By: Ernie More  
Ernie More, President

By: Carolyn D. Long  
Carolyn D. Long, Secretary



THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
(WEST VIRGINIA)  
\$16,100,000 Public School Bonds, Series 2008

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

1. TERMS
2. NO LITIGATION
3. AWARD OF BONDS; SIGNATURES
4. DELIVERY AND PAYMENT
5. CERTIFICATION OF DOCUMENTS
6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
7. MEETINGS, ETC.
8. INCUMBENCY; AND OFFICIAL NAME
9. OFFICIAL STATEMENT CERTIFICATION
10. DESIGNATION OF REGISTRAR AND PAYING AGENT

We, the undersigned PRESIDENT and SECRETARY of The Board of Education of the County of Braxton, West Virginia (the "Issuer"), and the undersigned Attorney for the Issuer, hereby certify in connection with the \$16,100,000 aggregate principal amount of The Board of Education of the County of Braxton (West Virginia) Public School Bonds, Series 2008 (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Resolution and Order Directing Issuance of Bonds of the Issuer, adopted June 9, 2008, as modified on September 17, 2008 (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, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds nor in any manner affecting the validity or enforceability of the Bonds, the Resolution, the bidding procedures relating to sale of the Bonds or any agreement or instrument relating thereto, or any provisions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer, the authority of titles of the President and Secretary and the members of the Issuer 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, except as noted in the opinion delivered herewith by the Attorney for the Issuer, or the acquisition and construction of the Project financed with - proceeds of the Bonds which is not set forth in the Official Statement relating to the bonds.

3. AWARD OF BONDS; SIGNATURES: Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended (the "Act"), the Bonds were advertised for sale and three (3) bids were received, the best bid being that of Hutchinson, Shockey, Erley & Co., all as appears from the Resolution on award of the Bonds, a copy of which is delivered herewith. The Bonds were thereupon awarded to Hutchinson, Shockey, Erley & Co. (the "Purchaser"), at the price of \$16,118,165.90, which sum included a premium of \$18,165.90. The Bonds were duly signed by the duly established signatures of the President and Secretary, and the official seal of the Issuer, which seal is impressed upon this Certificate, was imprinted thereon.

4. DELIVERY AND PAYMENT: The undersigned President did, on the date hereof, deliver to the Purchaser, the entire issue of the Bonds, in various denominations and numbered R-1 to R-20, inclusive.

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

Purchase Price (including premium)	\$16,118,165.90
Accrued interest	-0-
Total Received	\$16,118,165.90

5. CERTIFICATION OF DOCUMENTS: There are delivered herewith true and correct copies of the following documents, all of 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:

Minutes (or excerpt) of various Board Meetings

Bond Election Order

Resolution and Order Directing Issuance of Bonds

Attorney General's Approval

Affidavit of Publication of Attorney General's Approval

Bid of Hutchinson, Shockey, Erley & Co.

Certificate of Valuations (Amended)

Copy of Letter of Clerk of Supreme Court of Appeals

Affidavits of Publication of Notice of Sale

Preliminary Official Statement

Official Statement

Specimen Bond

6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since June 30, 2007, except as may be set forth in the Official Statement. There is no 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 acquisition, construction and equipping of the Project were authorized or adopted at meetings of the Board of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Issuer and all applicable statutes, including Chapter 6, Article 9A of the Code of West Virginia of 1931, as amended, and a quorum of duly elected, qualified and acting board 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 Braxton" and it is a validly existing school board and public corporation of the State of West Virginia, and constitutes the governing body of Braxton County School District, in Braxton County of said State. The Issuer is composed of five (5) members. The names, offices and dates of commencement and termination of current terms of office of the members of the Issuer, are as follows:

<u>Name and Office</u>	<u>Date of Commencement Of Office</u>	<u>Date of Termination Of Office</u>
Ernie Moore, President	7/1/2008	6/30/2012
John Campbell	7/1/2006	6/30/2010
Roger W. Hall	7/1/2008	6/30/2012
Elizabeth Stewart	7/1/2006	6/30/2010
Kathy Parker	7/1/2006	6/30/2010

The duly appointed Superintendent and Secretary of the Issuer is Carolyn D. Long, whose term expires June 30, 2009.

The Counsel ("Attorney") for the Issuer is Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia.

9. OFFICIAL STATEMENT CERTIFICATION: The Issuer has duly authorized the execution, delivery and distribution of the Official Statement. At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits 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.

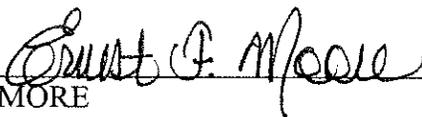
10. DESIGNATION OF REGISTRAR AND PAYING AGENT: The Issuer hereby confirms the appointment of the West Virginia Municipal Bond Commission, as Paying Agent and United Bank, Inc., Charleston, West Virginia, as Registrar.

WITNESS our signatures and the official corporate seal of THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON on this 30th day of September, 2008.

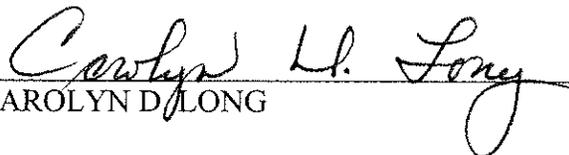
[CORPORATE SEAL]

Signature

Official Title

  
\_\_\_\_\_  
ERNIE MORE

President

  
\_\_\_\_\_  
CAROLYN D. LONG

Secretary

  
\_\_\_\_\_

Attorney for Issuer



\$16,100,000

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON  
(WEST VIRGINIA)

Public School Bonds, Series 2008

TAX AND NON-ARBITRAGE CERTIFICATE

We, Ernie More, President and Carolyn D. Long, Superintendent and Secretary of The Board of Education of the County of Braxton, West Virginia (the "Issuer"), being officials of the Issuer duly charged with the responsibility for the issuance of the \$16,100,000 Public School Bonds, Series 2008, of the Issuer, dated September 30, 2008, (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 Directing Issuance of Bonds adopted by the Issuer on June 9, 2008, as supplemented and amended on September 17, 2008 (collectively, the "Resolution"), pursuant to which the Bonds are issued:

A. DEFINITIONS

Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings set forth in the Bond Resolution and in Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and related Regulations. The following terms, when used in this Agreement, shall have the following meanings:

"Bond Insurance Policy" means the municipal bond issuance policy issued by the Bond Insurer, pursuant to which the bond Insurer guarantees or insures the payment of the principal and interest on the Bonds.

"Bond Insurer" means Financial Security Assurance Inc.

"Costs of Qualified Guarantee" means the costs associated with the Bond Insurance Policy, including fees and expenses of counsel to the Bond Insurer.

"Regulations" means the relevant regulations under the Code.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Code and Regulations. 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 am 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 Bonds are being issued and sold by the Issuer pursuant to approval of the Issuer's electorate at a primary election held on May 13, 2008, and pursuant to Chapter 13,

Article 1 of the West Virginia Code of 1931, as amended, and under the provisions of the Resolution. The principal amounts, interest rates, and interest and principal payment dates are as set forth in EXHIBIT A hereto.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 30, 2008, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof (the "Date of Issue"), and to the best of our 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 September 30, 2008, to Hutchinson, Shockey, Erley & Co. (the "Purchaser") for a purchase price of \$16,118,165.90.

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 pay a portion of the costs of design, acquisition, construction and equipping of new public school facilities and renovations, improvements and additions to existing public school facilities in Cabell County School District (the "Project") and (ii) to pay costs of issuance of the Bonds and related costs.

8. The face amount of the Bonds of \$16,100,000. The sources and uses of proceeds of the Bonds is as follows:

Sources

Par amount of Bonds	\$16,100,000
Premium	\$18,165.90
Total Sources	\$16,118,165.90

Uses

Underwriter's Compensation	\$0
Bond Insurance Premium	\$0
Costs of Issuance	\$67,000.00
Funds Available to Board for Project Costs	\$16,051,165.90
Total Uses	\$16,118,165.90

9. The Purchaser has stated, in its certificate, a copy of which is attached hereto as EXHIBIT C- PURCHASER'S CERTIFICATE (the "Purchaser's Certificate") that the Bonds have been reoffered, and a substantial amount thereof sold, to purchasers other than bond

houses, brokers or other intermediaries, at the initial offering prices not greater than the respective prices shown on the cover page of the Official Statement for the Bonds.

C. THE PROJECT AND USE OF BOND PROCEEDS

1. The proceeds of the Bonds are being used to finance the Project and pay costs of issuance of the Bonds. The proceeds of the Bonds, and any premium thereon, (the "Net Sale Proceeds") will be deposited in a project construction fund (the "Construction Fund") and expended solely for payment of costs of the Project and Costs of Issuance of the Bonds. The Issuer expects to expend the Net Sale Proceeds of the Bonds in accordance with the expenditure schedule attached as Exhibit D. The Issuer reasonably expects that:

(a) it will incur, or has already incurred, a substantial binding obligation to a third party to expend at least 5% of the Net Sale Proceeds within 6 months following the Date of Issue;

(b) completion of the Project and allocation of the Net Sale Proceeds to expenditures for Project costs will proceed with due diligence; and

(c) it will expend (including reimbursements of prior expenditures) at least 85% of the Net Sale Proceeds and earnings thereon for Project costs within 3 years of the Date of Issue.

Based on the above expectations, the Net Sale Proceeds qualify for a three-year temporary period, beginning on the Date of Issue, during which time such Net Sale Proceeds are not subject to yield restriction. Net Sale Proceeds remaining unexpended at the end of such three-year period will be invested either (A) at a yield not in excess of the yield on the Bonds or (B) at an unrestricted yield, in which latter event in the Issuer shall pay yield reduction payments to the Internal Revenue Service pursuant to § 1.148-5(c) of the Regulations.

2. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer). No portion of the Bonds is issued to refund other obligations.

3. All property financed with proceeds of the Bonds will be held by or on behalf of a qualified governmental unit, and the Project will be operated solely for a public purpose as a governmental activity.

4. No portion of the payments of principal or interest will be made, financed or secured by, directly or indirectly, by payments or property used in any trade or business of any person other than the Issuer. The Issuer will not permit any portion of the payment of the principal or interest on the Bonds to be secured, directly or indirectly, by (i) interests in property or (ii) payments in respect of such property, which property is used or to be used in any trade or business of any person other than the Issuer. The Issuer will not permit any portion of the payment of the principal or interest on the Bonds to be derived, directly or indirectly by

payments (whether or not to the Issuer) in respect of property or borrowed money, used or to be used in any trade or business of any persons other than the Issuer.

5. The Project is used only in activities directly related to the Issuer's exempt governmental purpose. No other person owns or uses the Project either directly or indirectly, including use through a management agreement, and neither the Issuer nor any other state or local government unit currently having ownership interest in the Project will transfer ownership of the Project while the Bonds are outstanding.

#### D. THE BONDS

1. The principal amounts, interest rates, and interest and principal payment dates, with respect to the Bonds are set forth in EXHIBIT A hereto.

2. 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. The Debt Service Account qualifies as a Bona Fide Debt Service Fund and all moneys in the Debt Service Account will be invested without restriction as to yield and are not subject to rebate.

3. 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.

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

5. 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 payment 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.

6. For purposes of this Tax Certificate, yield is calculated as set forth in Section 148(h) of the Code and Sections 1.148-4 and 1.148-5 of the Regulations. Thus, yield generally means that discount rate which, when used in computing the present value of all unconditionally payable payments of principal and interest with respect to an obligation and the cost of qualified guarantees (if any) paid and to be paid with respect to such obligation, produces an amount equal to the issue price of the obligation.

7. The Issuer certifies, based upon representations of the Purchaser shown in EXHIBIT C hereto, that the aggregate reoffering price of the Bonds is \$16,118,165.90, which represents the price at which the Bonds were sold to the public (excluding bond houses, brokers and other intermediaries). For purposes hereof, yield shall be calculated on a 360-day year basis with interest compounded semiannually. The yield on the Bonds on an aggregate basis as computed by the Purchaser is 4.447532%.

8. Unless otherwise authorized by an Opinion of Bond Counsel, during any period in which any amounts held in the Bona Fide Debt Service Fund, that remain unexpended after 13 months from the date of accumulation in such funds, at any time in aggregate exceeds \$100,000, the excess will be investigated either (i) in assets that comply with the requirements for qualified yield reduction payments set forth in Regulation § 1.148-5(c) or (ii) in Investment Property with a yield not exceeding the yield on the Bonds.

9. The Issuer has used equity to pay certain capitalized costs of the Project, prior to the Issue Date, and will use proceeds of the Bonds to reimburse those costs (i) expenditures which constitute "preliminary expenditures" within the meaning of Regulation Section 1.150-2(f)(2) or (ii) expenditures meeting the de minimis expenditure exception as set forth in Regulation Section 1.150-2(f)(1). No funds corresponding to the reimbursement will be used within one year after the allocation of proceeds of the Bonds to pay or provide for payment of any issue of tax-exempt obligations.

10. Based on the certifications of the Purchaser in Exhibit, attached hereto, the Issuer expects that the present value of the premium for the Bond Insurance Policy is less than the present value of interest expected to be saved on the Bonds as a result of the Bond Insurance Policy.

11. Pursuant to Regulation Section 1.148-6(d)(1)(i) the Issuer hereby elects to use the "gross proceeds spent first method" for purposes of allocating proceeds of the Bonds to expenditures.

#### E. REBATE

1. Undertakings. The Issuer has covenanted to comply with certain requirements of the Code. The Issuer acknowledges that the United States Department of the Treasury has issued Regulations with respect to these undertakings, including the proper method for computing whether any rebate amount is due the United States under Section 148(f) of the Code IL., Sections 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations). The Issuer covenants that it will undertake to determine (or have determined on its behalf) what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will undertake to comply with any requirements that may be applicable to the Bonds. The Issuer will undertake the methodology described in this Section E of this Tax Certificate, except to the extent inconsistent with any requirements of present or future law, regulations or future guidance issued by the United States Department of the Treasury or if the Issuer receives an opinion of Bond Counsel,

2. Rebate Fund. The Issuer hereby creates a special fund designated the “*Rebate Fund*” to be held by a commercial bank separate and apart from all other funds and accounts of the Issuer.

3. Recordkeeping. Detailed records with respect to each and every Nonpurpose Investment attributable to Gross Proceeds (within the meaning of Section 1.148-1(b) of the Regulations) of the Bonds must be maintained by the Issuer, including (i) purchase date, (ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) date of interest payments, (vii) disposition price, (viii) any accrued interest received, (ix) disposition date, and (x) broker’s fees. Such detailed record keeping is required for the calculation of the rebate amount (within the meaning of Section 1.148-3 of the Regulations) which, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the yield on the Bonds.

4. Rebate Amount Calculation and Payment.

(a) The Issuer represents, warrants and covenants that it will prepare or cause to be prepared a calculation of the rebate amount with respect to the Bonds consistent with the rules described in this Section 4. The Issuer will prepare or cause to be prepared a calculation of the rebate amount (i) within fifty-five (55) days after the close of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bonds remain unpaid, and (ii) within fifty-five (55) days after the first date on which there are no unpaid Bonds. Not later than fifty-five (55) days after the end of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bond remains unpaid, and within fifty-five (55) days after the last Bond is paid, the Issuer shall deposit in the Rebate Fund an amount so that the balance held by the Issuer in the Rebate Fund shall be equal to the rebate amount.

(b) For purposes of calculating the rebate amount (i) the aggregate amount earned with respect to a Nonpurpose Investment shall be determined by assuming that the Nonpurpose Investment was acquired for an amount equal to its value at the time it becomes a Nonpurpose Investment, and (ii) the aggregate amount earned with respect to any Nonpurpose Investment shall include any unrealized gain or loss with respect to the Nonpurpose Investment on the first date when there are no unpaid Bonds or when the investment ceases to be a Nonpurpose Investment.

(c) The Issuer shall pay to the United States Department of the Treasury out of designated funds (i) not later than sixty (60) days after the end of each fifth Bond Year, a payment equal to at least ninety percent (90%) of the rebate amount with respect to the Bonds, calculated as of the end of such fifth Bond Year, and (ii) not later than sixty (60) days after the first date when there are no unpaid Bonds, an amount equal to one hundred percent (100%) of the rebate amount (determined as of the first date when there are no unpaid Bonds) plus any actual or imputed earnings on such rebate amount, all as set forth in Sections 1.148-1 through 1.148-11 of the Regulations and as determined by or on behalf of the Issuer.

(d) Each payment required to be made pursuant hereto and relating to the Bonds shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania

19255, on or before the date such payment is due and shall be accompanied by Internal Revenue Service Form 8038-T. The Issuer must retain records of the calculations required by this Section 4.4 until six (6) years after the retirement of the last obligation of the Bonds.

5. Valuation of Investments.

(a) General Rule. Except as otherwise provided in this Section 5, for all purposes of Section 148 of the Code, the value of an investment allocated to the Bonds (including a payment or receipt on the investment) on a date must be determined using one of the following valuation methods;

(i) Outstanding Principal Amount Method. A plain par Investment (as defined in Section 1,148-1(b) of the Regulations) may be valued at its outstanding stated principal amount, plus any accrued unpaid interest on that date.

(ii) Present Value Method. An investment whose yield is fixed and determinable on the issue date (a "fixed rate investment") may be valued at its present value on that date. Present value of an investment is computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the Bonds (i.e., 360-day year basis with interest compounded semiannually). The present value of an investment on a date is equal to the present value of all unconditionally payable receipts to be received from and payments to be paid for the investment after that date, using the yield on the investment as the discount rate.

(iii) Fair Market Value Method. An investment may be valued at its fair market value on that date. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided in Subsections 4.5(e), (f) and (g) hereof, an investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(b) Mandatory Valuation of Certain Investments at Fair Market Value. Except as provided in Subsections 4.5(c) and (d), an investment must be valued at fair market value on the date that it is first allocated to the Bonds or first ceases to be allocated to the Bonds as a consequence of a deemed acquisition or deemed disposition.

(c) Mandatory Valuation of Yield Restricted Investments at Present Value. Any yield restricted investment must be valued at present value.

(d) Transferred Proceeds allocations, Universal Cap Allocations and Commingled Funds. Notwithstanding Subsection 4.5(b) hereof, an investment need not be valued at fair market value if it is allocated to the Bonds or ceases to be allocated to the Bonds as a result of the transferred proceeds allocation rule under Section 1,148-9(b) of the Regulations or

the universal cap rule under Section 1.148-6(b)(2) of the Regulations. In addition, investments in a commingled fund (other than a bona fide debt service fund) need not be valued at fair market value unless it is a commingled fund described in Section 1.148-6(e)(5)(iii) of the Regulations.

(e) Certificates of Deposit. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal will be treated as its fair market value on the purchase date if:

(i) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and

(ii) the yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) Guaranteed investment Contracts. The purchase price of a guaranteed investment contract will be treated as its fair market value on the purchase date if:

(i) the Issuer has made (or had made on its behalf) a bona fide solicitation for a specified guaranteed investment contract and received at least three (3) bona fide bids from providers that have no material financial interest in the Bonds;

(ii) the Issuer purchased (or had purchased on its behalf) the highest yielding guaranteed contract for which a qualifying bid is made (determined net of broker's

(iii) the yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contract, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds. For purposes of computing the yield on a guaranteed investment contract acquired through a broker, any compensation received by such broker whether payable by or on behalf of the obligor or obligee of such investment contract may be taken into account in determining the cost of such guaranteed investment contract (as provided in Section 1.148-5(e)(2)(iii) of the Regulations) to the extent that the amount of compensation does not exceed the lesser of \$32,000.00 or 0.2% of the computational base (as defined in Section 1.148-5(e)(2)(iii)(B)(2) of the Regulations), provided that in no event shall the Issuer treat as qualified administrative costs more than \$90,000.00 in broker's commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with the gross proceeds of the issue.

(iv) the determination of the terms of the guaranteed investment contract took into account as a significant factor the Issuer's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) the terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) the provider of the guaranteed investment contract certified the administrative costs that it paid (or expects to pay) to third parties in connection with the guaranteed investment contract.

(g) United States Treasury Obligations. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

6. Segregation of Proceed. In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer hereby agrees to establish separate funds, accounts or subaccounts or take other accounting measures in order to account fully for all Gross Proceeds.

7. Filing Requirements. The Issuer shall file or cause to be filed such reports or other documents with the Internal Revenue Service as may be required by the Code from time to time (e.g., Form 8038-G and Form 8038-T).

8. 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.

2. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. The information set forth in EXHIBIT B - 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 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 Regulations promulgated or to be promulgated thereunder.

6. 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.

7. 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.

8. 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.

9. 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 and Arbitrage 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.

10. 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,

11. 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.

12. 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.

13. 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.

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

15. 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.

16. 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 of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Tax and Arbitrage 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.

17. 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.

18. Bowles Rice McDavid Graff & Love 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.

19. Notwithstanding any other provision hereof, any provision of this Tax and Arbitrage 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.

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

21. If any provision of this Tax Certificate (including all accompanying certificates) shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

22. Notwithstanding anything in this Tax Certificate or any other provisions of the Resolution to the contrary, the obligation to remit the rebate amount to the United States Department of the Treasury and to comply with all other requirements contained in this Tax Certificate shall survive the defeasance or payment in full of the Bonds.

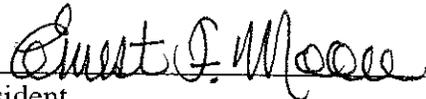
23. The yield restrictions contained herein or any other restriction or covenant contained herein need not be observed or may be changed if the Issuer receives an opinion of Bond Counsel to the effect that such noncompliance or change will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes.

24. The terms, provisions, covenants and conditions of this Tax Certificate shall bind and inure to the benefit of the successors and assigns of the Issuer.

25. The headings of this Tax Certificate are inserted for convenience only and shall not be deemed to constitute a part of this Tax Certificate.

IN WITNESS WHEREOF, we have set our hands this 30th day of September, 2008.

THE BOARD OF EDUCATION OF THE  
COUNTY OF BRAXTON

By:   
Its: President

By:   
Its: Secretary

**EXHIBIT B**

**IRS FORM 8038-G**

[Included in Transcript as Document Number 27]

**EXHIBIT C – PURCHASER’S CERTIFICATE**

[Included in Transcript as Document Number 17]



**ASSESSED VALUES FOR CALCULATING  
REDUCED (ROLLED BACK) LEVY RATES**

**Braxton County Board of Education**

**Braxton**

(Levying Body)

(County)

TO:

**Carolyn Long, Superintendent**

(County Commission President, School Board Secretary or Municipal Clerk or Recorder)

The undersigned Assessor and County Clerk of said County, do hereby certify the assessed value of the various classes of real estate, personal property and public utility property FOR THE CALCULATION OF THE REDUCED (ROLLED BACK) LEVY RATE for the assessment year 2008

	<u>Column A</u> Assessed Valuation For Tax Purposes (w/o Homestead & Exempt)	<u>Column B</u> New Property and Back Tax Property (Excluding TIF)	<u>Column C</u> TIF Tax Incremental Financing Value	<u>Column D</u> Assessed Valuation For Tax Purposes Minus New Property, Back Tax Property & TIF (Col A Minus Col B and C)
<b>Class I</b>				
Personal Property	0	0	0	0
Public Utility Property	0	0	0	0
<b>Total Class I</b>	0	0	0	0
<b>Class II</b>				
Real Estate	148,960,890	4,583,880	0	144,377,010
Personal Property	3,511,704	344,100	0	3,167,604
<b>Total Class II</b>	152,472,594	4,927,980	0	147,544,614
<b>Class III</b>				
Real Estate	92,969,840	1,493,100	0	91,476,740
Personal Property	138,627,729	13,537,378	0	125,090,351
Public Utility Property	47,459,241	483,769	0	46,975,472
<b>Total Class III</b>	279,056,810	15,514,247	0	263,542,563
<b>Class IV</b>				
Real Estate	16,882,600	150,600	0	16,732,000
Personal Property	10,643,615	38,717	0	10,604,898
Public Utility Property	13,274,157	701,291	0	12,572,866
<b>Total Class IV</b>	40,800,372	890,608	0	39,909,764
<b>TOTAL FOR LEVYING BODY</b>	472,329,776	21,332,835	0	450,996,941

Given under our hands this 29th day of February, 2008

  
County Clerk

  
Assessor

The valuations above do not include values attributable to back-tax property, homestead property, new construction and improvements or new personal property.

THE VALUATIONS ARE TO BE USED ONLY FOR THE CALCULATION OF A REDUCED LEVY RATE as required by W.Va. Code § 11-8-6e and 6f. This rate must be applied to the CERTIFICATE OF VALUATIONS (enclosed) for budgeting purposes. These values, like the Certificate of Valuation, are to be in the hands of the levying body not later than March 3.

- Print on BLUE paper - Levying Body
- Photocopy - Tax Dept.
- Photocopy - Auditor's Office
- Photocopy - Retain
- Photocopy - Board of Ed. Only - State Dept. of Education

When completed, submit blue copy to the levying body; photocopy to the Department of Tax and Revenue, Property Tax Division, P.O. Box 2389, Charleston, WV 25328-2389, photocopy to the State Auditor's Office, Local Government Services Division, 200 W Main St., Clarksburg, WV 26301; and retain a photocopy for your office file. Only a photocopy of the Board of Ed. page should be forwarded to the State Dept. of Education.



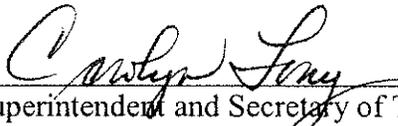
THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, WEST VIRGINIA  
\$16,100,000 PUBLIC SCHOOL BONDS, SERIES 2008

CERTIFICATE OF BONDED INDEBTEDNESS

I, Carolyn D. Long, Superintendent of Schools of the County of Braxton and Secretary of the Board of Education of said County, hereby certify that the Braxton County School District had no outstanding bonded indebtedness as of February 19, 2008, the date on which said Board entered an order submitting the question of issuance of \$16,100,000 Public School Bonds to an election (which election was held on May 13, 2008, and resulted in approval by the voters of Braxton County School District of issuance of such Bonds).

The assessed valuation of taxable property in Braxton County School District at said date was \$445,606,647 and five percent (5%) thereof is \$22,280,000.

WITNESS my signature and the seal of said Board on this the 30<sup>th</sup> day of September, 2008.

  
\_\_\_\_\_  
Superintendent and Secretary of The Board of  
Education of Braxton County, West Virginia



THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, WEST VIRGINIA  
\$16,100,000 PUBLIC SCHOOL BONDS, SERIES 2008

**PURCHASER'S CERTIFICATE**

The undersigned, as purchaser (the "Purchaser") of the above-captioned Bonds (the "Bonds"), hereby certifies that:

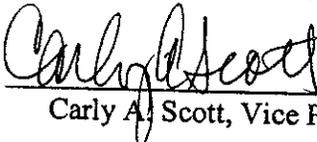
(a) All of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated September 17, 2008, relating to the Bonds. We have made a bona fide public offering of all Bonds at the public offering price.

(b) To the best of our knowledge, based on our records and other information available to us which we believe to be correct, we reasonably expect to sell ten percent (10%) of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Official Statement. 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 bonds 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.

(c) This certificate may be relied upon by the Issuer with respect to its Tax and Non-Arbitrage Agreement relating to the Bonds, and by Bowles Rice McDavid Graff & Love LLP in rendering their tax opinion with respect to the Bonds.

Dated as of September 30, 2008.

HUTCHINSON, SHOCKEY, ERLEY & CO.

By:   
Carly A. Scott, Vice President



THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, WEST VIRGINIA  
\$16,100,000 PUBLIC SCHOOL BONDS, SERIES 2008

REGISTRAR AND AUTHENTICATING AGENT'S CERTIFICATE

The undersigned, Authorized Officer of United Bank, Inc., Charleston, West Virginia, (the "Bank"), hereby certifies as follows with respect to the above-captioned Bonds (the "Bonds"):

The Bank has full power and authority to enter into and carry out the provisions of the Registrar's Agreement, dated September 30, 2008, by and between The Board of Education of the County of Braxton (the "Issuer") and the Bank (the "Agreement").

The person whose title, name and signature is set forth below hold the position, by election or appointment by the Board of Directors of the Bank shown opposite to his/her respective name, and such person has been named and designated as authorized officer of the Bank to authenticate and register the Bonds, to deliver certificates on behalf of the Bank in connection with the closing of the sale of the Bonds and to take any other actions required by the Agreement.

<u>Title</u>	<u>Name</u>	<u>Signature</u>
Vice President	Kathy Smith, CCTS	

Kathy Smith was duly authorized to, and did on or prior to the date hereof, execute and deliver the Agreement to the Issuer on behalf of the Bank.

The undersigned has received on or prior to the date hereof a direction on behalf of the Issuer to authenticate and deliver the Bonds to Hutchinson, Shockey, Erley & Co., as original purchase thereof.

The Bank has received from the Issuer on the date hereof the Bonds, in the respective numbers and denominations, maturing on May 1 of such years, and bearing interest at such rates, all as set forth in the Official Statement dated September 17, 2008, relating thereto. At the time of such receipt, each of the Bonds had been executed by the signature of the President and the seal of the Issuer had been impressed or affixed thereto and attested by the signature of the Attorney General of the State of West Virginia.

The Bank has duly authenticated the Bonds originally issued as September 30, 2008, by manually executing on each of such Bonds a certificate in the following form:

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Imprinted on the reverse hereof is the complete text of the opinion of Bowles Rice McDavid Graff & Love LLP, Bond Counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds.

UNITED BANK, INC.

By:

---

Kathy Smith  
Vice President

Dated: September 30, 2008

WITNESS MY SIGNATURE this the 30<sup>th</sup> day of September, 2008.

By:

---

I. William Snider, III  
Authorized Officer



101 South Queen Street  
Martinsburg, West Virginia 25401  
(304) 263-0836

7000 Hampton Center, Suite K  
Morgantown, West Virginia 26505  
(304) 285-2500

333 West Vine Street, Suite 1700  
Lexington, Kentucky 40507-1639  
(859) 252-2202



600 Quarrier Street  
Charleston, West Virginia 25301

Post Office Box 1386  
Charleston, West Virginia 25325-1386  
(304) 347-1100

[www.bowlesrice.com](http://www.bowlesrice.com)

480 West Jubal Early Drive  
Suite 130  
Winchester, Virginia 22601  
(540) 723-8877

5th Floor, United Square  
501 Avery Street  
Parkersburg, West Virginia 26101  
(304) 485-8500

September 30, 2008

The Board of Education of the County of Braxton  
411 North Hill Road  
Sutton, West Virginia 26601

Re: \$16,100,000 The Board of Education of Braxton County  
[West Virginia] Public School Bonds, Series 2008

Dear Ladies and Gentlemen:

We have examined a record of the proceedings relative to the issuance and sale of \$16,100,000 Public School Bonds, Series 2008 (the "Bonds"), of Braxton County School District, by and through The Board of Education of the County of Braxton (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated September 30, 2008, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of \$5,000 or integral multiples thereof, mature on May 1 in the years and amounts and bear interest payable each May 1 and November 1, commencing May 1, 2009, as follows:

Year	Principal Amount	Interest Rate
2010	\$485,000	4.50%
2011	510,000	4.00
2012	535,000	3.25
2013	565,000	3.25
2014	590,000	3.50
2015	620,000	3.50
2016	655,000	3.75
2017	685,000	4.00
2018	720,000	4.00
2019	755,000	5.25
2020	795,000	5.00
2021	835,000	5.00
2022	875,000	5.00

The Board of Education of the County of Braxton  
 September 30, 2008  
 Page 2

<i>(cont.)</i>	Principal	Interest
Year	Amount	Rate
2023	920,000	5.00
2024	965,000	4.50
2025	1,010,000	5.25
2026	1,065,000	4.50
2027	1,115,000	4.75
2028	1,170,000	4.75
2029	1,230,000	4.75

The Bonds were authorized at the primary election held in the Braxton County School District on May 13, 2008, and by a Resolution and Order adopted by the Issuer on February 19, 2008, as supplemented (such Resolution and Order, as supplemented, herein called the “Resolution”), and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the “Act”), for the purposes of providing funds for the acquisition, construction, renovation, repair and equipping of certain public school buildings, together with the sites thereof and all necessary appurtenances, in the Braxton County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution, a Tax and Arbitrage Certificate of the Issuer dated the date hereof (the “Tax Certificate”) and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based upon the foregoing, and assuming compliance with the representations, covenants and certifications of the Issuer contained in the Resolution, the Tax Certificate and the certified proceedings and the certifications made in connection with the issuance of the Bonds, we are of the opinion that, under existing law:

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the

The Board of Education of the County of Braxton  
September 30, 2008  
Page 3

Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has power and is obligated to levy ad valorem taxes upon all the taxable property within the Braxton County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the bonds is not includable in 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 upon individuals and corporations; it should be noted, however, that interest on the Bonds held by a corporation May be indirectly subject to alternative minimum tax because of its inclusion in the reported income or earnings and profits of such corporate holder. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution and the Tax Certificate of the Issuer. Failure to comply with such representations, covenants and certifications could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. Under the Act, as presently written and applied, the Bonds are exempt from direct taxation by the State of West Virginia or any political subdivision thereof and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

In expressing this opinion, we have considered the litigation instituted in certain states including the State of West Virginia, such as *Pauley v. Bailey*, 324 S.E.2d 128 (W.Va. 1984) challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and, in our opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Braxton County, West Virginia, for the payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in this opinion.

Please be advised that the enforcement of remedies with respect to the Bonds is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that enforcement May also be subject to the exercise of judicial discretion in appropriate cases.

The Board of Education of the County of Braxton  
September 30, 2008  
Page 4

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 authorized.

Very truly yours,

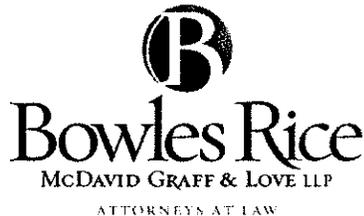
*Bowles Rice / David Graff & Love LLP*



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7000 Hampton Center, Suite K  
Morgantown, West Virginia 26505  
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September 30, 2008

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5th Floor, United Square  
501 Avery Street  
Parkersburg, West Virginia 26101  
(304) 485-8500

The Board of Education of the County of Braxton  
411 Hill Road  
Sutton, West Virginia 26601

Re: \$16,100,000 The Board of Education of Braxton County  
(West Virginia) Public School Bonds, Series 2008

Dear Ladies and Gentlemen:

We have examined a transcript of proceedings relating to the issuance of \$16,100,000 aggregate principal amount of Public School Bonds, Series 2008 (the "Bonds"), of The Board of Education of the County of Braxton (the "Issuer"), and a "Tax and Non-Arbitrage, Certificate of Issuer" executed by the President of the Issuer on this date.

Based upon such Certificate, we are of the opinion that the facts, estimates and circumstances set forth therein are sufficient to satisfy the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), to support the conclusion that the Bonds are not "arbitrage bonds" as therein defined. While we have undertaken no independent investigation or verification of the statements, expectations or representations set forth in such Certificate, no matters have come to our attention which make unreasonable or incorrect such statements, expectations or representations.

Accordingly, it is our opinion that, under existing statutes, regulations, rulings and court decisions, the Bonds are not "arbitrage bonds" as so defined.

The opinions set forth above are subject to the conditions that the Issuer comply with all requirements of the Code relating to arbitrage that must be satisfied subsequent to the Issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for Federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

Very truly yours,



101 South Queen Street  
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September 30, 2008

The Board of Education of the  
County of Braxton  
411 Hill Road  
Sutton, West Virginia 26601

Re: \$16,100,000 The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008

Ladies and Gentlemen:

We are Special Counsel to the Board of Education of the County of Braxton, West Virginia (the "Board") with respect to the issuance and sale of its \$16,100,000 Public School Bonds, Series 2008 (the "Bonds").

We have reviewed copies of the approving opinion of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, as Bond Counsel, and the Resolution and Order (the "Resolution") relating to the Bonds and such other documents and certificates we deem relevant or necessary for purposes of rendering the opinions herein. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in said opinion and Resolution.

Based upon the foregoing, we are of the opinion that:

1. The Board is a duly organized and validly existing school board under and pursuant to the Constitution and laws of the State of West Virginia, with full legal right, power and authority to adopt the Resolution, to pledge the security as set forth in the Resolution, to issue, sell and deliver the Bonds to the purchaser thereof, to own and operate the public school facilities of Braxton County and conduct the business thereof as set forth in and contemplated by the Official Statement and to carry out, give effect to and consummate the transactions contemplated by the Bonds, the Resolution and the Official Statement.

2. The Bonds have been duly authorized, executed and delivered by, and the Resolution has been duly adopted by, and each constitutes a legal, valid and binding agreement and obligation of the Board, enforceable in accordance with their terms, except as enforcement

The Board of Education of the County Braxton

September 30, 2008

Page 2

may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights from time to time in effect and except that no opinion is expressed as to the enforceability of Section 3 of the Registrar's Agreement insofar as the provisions thereof require the Board to indemnify and hold harmless the Paying Agent in certain circumstances.

3. The Board has duly authorized the execution, delivery and distribution of the Official Statement.

4. The Board is not, to the best of our knowledge after reasonable investigation, in breach of or in default under any constitutional provision, applicable law or administrative rule or regulation of the State of West Virginia, the United States, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order, or note, ordinance, resolution, indenture, contract, agreement or other instrument to which the Board is a party or to which the Board or any of the properties or assets of the public school facilities of Braxton County are otherwise subject or bound, which breach or default, in any material way, directly or indirectly, would affect operation hereof, the issuance, execution or delivery of the bonds or the validity thereof, the validity or enactment of the Resolution and Order or the execution or delivery of the Official Statement or the other instruments contemplated by any of such documents to which the Board is a party; and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default; and the adopting of the Resolution, and the execution and delivery of the Bonds, the Official Statement and the other documents and instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any constitutional provision, applicable law or administrative rule or regulation of the State of West Virginia, the United States, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, or other instrument to which the Board is a party or to which the Board or any of the properties or assets of the Board are otherwise subject or bound.

5. All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, legislative body, board, agency or commission having jurisdiction, which would constitute conditions precedent to, or the absence of which would materially adversely affect the due performance by the Board of its obligations under the Resolution or the Bonds have been duly obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds, as to which no opinion is hereby expressed.

The Board of Education of the County Braxton  
September 30, 2008  
Page 3

6. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or, to our knowledge, threatened in any way questioning or affecting the existence of the Board, or the titles of the officers and members of the Board to their respective offices, or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Resolution or the collection or application of the ad valorem taxes of Braxton County, West Virginia and any other assets pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or any action of the Board, contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or contesting the powers or authority of the Board, with respect to the issuance, sale or delivery of the Bonds, the adoption of the Resolution, or the execution and delivery of the Bonds, or any action on the part of the Board, which would adversely affect the exemption of interest to be paid on the Bonds from federal income taxation, nor to our knowledge is there any basis therefor.

7. Without having made any independent investigations of the operation or affairs of the Board, or any independent certification of the statements of fact contained in the Official Statement including the appendices thereto, the Official Statement (except as to any financial and statistical data contained in the Official Statement, as to which no opinion or belief is hereby expressed) does not contain any untrue statement of a material fact or omit to state a material fact which, in our judgment, is required to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

*Bowles Rice David Graff & Love LLP*



**BRAXTON COUNTY BOARD OF EDUCATION**  
**SPECIAL MEETING**  
September 17, 2008

STATE OF WEST VIRGINIA:

COUNTY OF BRAXTON: At the Office of Raymond James & Associates, Inc.  
Charleston, West Virginia; Wednesday, September 17, 2008

MEMBERS PRESENT: John Campbell, Roger W. Hall, Elizabeth Stewart and Kathy Parker, and on speaker phone, Offices of the Board of Education, Sutton, West Virginia

STAFF PRESENT: Carolyn D. Long, Superintendent and Ginger Altizer, Treasurer

MEMBERS ABSENT: Ernie More

The meeting was called to order at 12:30 p.m. by Vice President Campbell and was broadcast by speaker phone to the Offices of the Braxton County Board of Education, Sutton, West Virginia.

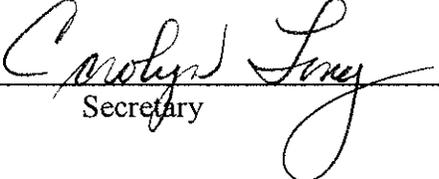
The participants were advised that the purpose of the meeting was to open and to consider bids to purchase the \$16,100,000 Public School Bonds, Series 2008 (the "Bonds"), in accordance with the maturity schedule attached as Schedule 1, to be issued by the Board and to authorize the sale of the Bonds to the low bidder.

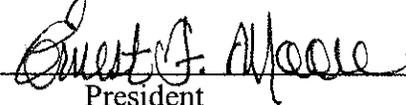
Marie Prezioso of Raymond James & Associates, Inc., the Board's Financial Advisor, was also present, along with Rebecca Tinder of Bowles Rice McDavid Graff & Love LLP, Board Counsel. Present by telephone was Edward D. McDevitt of Bowles Rice McDavid Graff & Love LLP, Board Bond Counsel. Ms. Prezioso read the name of the low bidder for the purchase of the Bonds along with the true interest cost for the entire issue to the Board members and was available to answer questions.

Elizabeth Stewart moved and Kathy Parker seconded the motion to accept the low true interest cost bid of 4.630511% received from Hutchinson, Shockley, Erley & Co. and authorize Vice President Campbell to sign the official, formal bid proposal which was stated at a rate of 4.630511% and with a maturity schedule, attached, on Schedule 1. Motion carried with all members voting in favor of the motion (4-0).

Thereafter, Roger Hall moved and Elizabeth Stewart seconded the motion to provide authority to Board Member Parker, the Superintendent and the Treasurer to act on behalf of the Board to invest the bond proceeds with the advice from the Board's financial advisor. Motion carried with all members voting in favor of the motion (4-0).

The Board having no further business to conduct, Roger Hall moved and Elizabeth Stewart seconded to adjourn the meeting at approximately 12:50 p.m. Motion carried unanimously.

  
Secretary

  
President

SCHEDULE 1

<u>Year</u>	<u>Amount</u>
2010	\$485,000
2011	510,000
2012	535,000
2013	565,000
2014	590,000
2015	620,000
2016	655,000
2017	685,000
2018	720,000
2019	755,000
2020	795,000
2021	835,000
2022	875,000
2023	920,000
2024	965,000
2025	1,010,000
2026	1,065,000
2027	1,115,000
2028	1,170,000
2029	1,230,000



BRAXTON COUNTY  
BOARD OF EDUCATION  
February 19, 2008

The Braxton County Board of Education met in a regular meeting in their office at 411 North Hill Road, Sutton, West Virginia on Tuesday, February 19, 2008, at 5:00 p.m. with the following members present:

- Ernie Moore, President
- John L. Campbell, Vice President
- Tom Hefner
- Kathy Parker
- Elizabeth M. Stewart

The meeting was called to order by President Ernie Moore at 5:00 p.m.

Ernie Moore gave a non-denominational prayer.

John Campbell moved and Elizabeth Stewart seconded to approve the consent agenda items (minutes of February 4, 2008, payment of bills, budget supplements and transfers, treasurer's report, transportation requests and requests, and Head Start Monthly reports.) Vote: unanimous.

Elizabeth Stewart moved and Kathy Parker seconded to approve the employment/reassignment of the following:

- Gerald Frame II - BCHS BD/LD/MI/Autism Teacher from BCMS Lang. Arts/Soc. St. Teacher (effective 2008-09)

Vote: unanimous.

Kathy Parker moved and Tom Hefner seconded to approve the following resignations:

J. David Hoover - BCMS Special Education Teacher  
Melissa England - Substitute Teacher Aide  
Marsha Hacker - Substitute Cook

Vote: unanimous.

Elizabeth Stewart moved and Kathy Parker seconded to approve the levy call as presented. Vote: unanimous.

Tom Hefner moved and Kathy Parker seconded to approve the bond call as presented. Vote: unanimous.

Robert Holcomb appeared before the board to discuss the accessibility of the Armory and BCHS bleachers by individuals with a handicap.

Kathy Parker moved and John Campbell seconded to convene into executive session under 6-9A-4 (2) (A). Vote: unanimous.

The board convened into executive session at 5:50 p.m.

The board reconvened into regular session at 6:07 p.m.

Tom Hefner moved to adjourn. John Campbell seconded the motion. Vote: unanimous.

The meeting adjourned at 6:10 p.m.

The next regular meeting of the Board will be Monday March 3, 2008 at 11:00 a.m.

Others in attendance:

Robert C. Holcomb  
Mary Talbott, Burnsville Public Library  
Lee Fisher

*Ernest J. Moore*

\_\_\_\_\_  
President - of Braxton County Board of Education

*Cecily Long*

\_\_\_\_\_  
Secretary of Braxton County Board of Education

BRAXTON COUNTY

BOARD OF EDUCATION

June 9, 2008

The Braxton County Board of Education met in a regular meeting in their office at 411 North Hill Road, Sutton, West Virginia on Monday, June 9, 2008, at 10:00 a.m. with the following members present:

Ernie Moore, President  
John L. Campbell, Vice President  
Tom Hefner  
Kathy Parker  
Elizabeth M. Stewart

The meeting was called to order by President Ernie Moore at 10:05 a.m.

Ernie Moore gave a non-denominational prayer.

Tom Hefner moved and Kathy Parker seconded to approve the consent agenda items (minutes of May 20 and May 29, 2008, payment of bills, budget supplements and transfers, transportation requests and reports, permission to attend school in Lewis County, and Head Start monthly reports). Vote: unanimous.

John Campbell moved and Elizabeth Stewart seconded to approve the following employment/reassignment effective 2008-09:

1. Louise Grindo - BCMS Math Teacher from Davis Elementary Principal
2. Jami Hefner - BCMS BD/Autism Teacher from LD/BD/MI/Autism Teacher - Itinerant

3. Michael Brady - Davis Physical Education Teacher from LD/BD/MI/Autism Teacher - Itinerant

Vote: Yes; Ernie Moore, John Campbell, Kathy Parker, Elizabeth Stewart Abstaining; Tom Hefner. Motion carried.

Kathy Parker moved and John Campbell seconded to approve the following summer school employment:

1. Tammy Brown - Burnsville Elementary
2. Patty Montgomery - Davis Elementary
3. Judith Carson - Flatwoods Elementary
4. Laura Allen - Frametown Elementary
5. Trisha Gregory - Little Birch Elementary
6. Flora Cox - Sutton Elementary
7. Holly Riley - BCMS
8. Kelly Johnston - BCHS
9. Grace Wine - BCHS

Vote: unanimous.

Elizabeth Stewart moved and Kathy Parker seconded to approve the following extra duty assignment resignations:

- Gerald Frame II - BCHS Head Golf coach
- Lauri Spencer - BCMS Assistant Girls Basketball Coach

Vote: unanimous.

John Campbell moved and Elizabeth Stewart seconded to approve the following summer programming positions:

1. Shawn Nibert - BCMS Head Boys Basketball Coach
2. Lauri Spencer - BCMS Head Girls Basketball Coach
3. George Canfield - BCMS Assistant Boys Basketball Coach
4. Jamie Flint - BCMS Assistant Football Coach
5. Rob Flint - BCMS Assistant Football Coach
6. Terrie Robbins - BCMS Cheerleading Coach
7. Marcia Gillespie - BCMS Cheerleading Coach
8. Luella Dancy - BCHS Athletic Trainer
9. John Park - BCHS Head Volleyball Coach
10. Flora Cox - BCHS Majorette/Flag Coach
11. Cindy Godwin - BCHS Volunteer Majorette/Flag Coach
12. Jessica Simmons - BCHS Cheerleading Coach

13. Michael Bright - BCHS Co-Assistant Football Coach
14. Gerald Frame II - BCHS Co-Assistant Football Coach
15. Rob Carr - BCHS Co-Assistant Football Coach  
(Boosters)

Vote: unanimous.

Bid proposals for Distance Learning were opened.

Tom Hefner moved and John Campbell seconded to table acceptance of the proposal for Distance Learning until the next meeting so the Director of Technology can review the bids.

Vote: unanimous.

Kathy Parker moved and Elizabeth Stewart seconded to approve and accept the School Building Authority of West Virginia grant contract for \$3,900,000.00. Vote: unanimous.

John Campbell moved and Elizabeth Stewart seconded to approve the resolution and order directing the issuance of bonds. Vote: unanimous.

Elizabeth Stewart moved and Kathy Parker seconded to approve Basile and Associates as the provider for student accident insurance for school year 2008-09 at parents' expense.

Vote: unanimous.

Kathy Parker moved and Elizabeth Stewart seconded to approve the Head Start Enrollment criteria as submitted. Vote: unanimous.

Elizabeth Stewart moved and John Campbell seconded to accept the Head Start grant notification. Vote: unanimous.

Kathy Parker moved and John Campbell seconded to approve the Head Start Action Plan. Vote: unanimous.

John Campbell moved to approve the textbook waiver request for Group I Reading - Grades K-4. Elizabeth Stewart seconded the motion. Vote: unanimous.

Kathy Parker moved and Elizabeth Stewart seconded to approve Policy 4400 (Participation in Extra Curricular Activities) after being on comment. Vote: unanimous.

Elizabeth Stewart moved and John Campbell seconded to convene into executive session under 6-9A-4.

The board convened into executive session at 10:28 a.m.

The board reconvened into regular session at 11:20 a.m.

John Campbell moved to adjourn. Tom Hefner seconded the motion. Vote: unanimous.

The next regular meeting of the Board will be Wednesday, June 25, 2008 at 10:00 a.m..

Others in attendance:

Robert C. Holcomb	Louise Grindo
Dylan Johnson	Dana Johnson
Loretta Mayse	Kimberly Clifton
Dennis Jarrell	Barbara Coffman
Devona Clifton	Jared Clifton
Jake Clifton	Norma Bright
Dave McChesney	Roger Hall



June 13, 2008

Ernest J. Moore  
President - of Braxton County Board of Education

Carlye Long  
Secretary - Braxton County Board of Education

BRAXTON COUNTY  
BOARD OF EDUCATION

June 9, 2008

The Braxton County Board of Education met in a regular meeting in their office at 411 North Hill Road, Sutton, West Virginia on Monday, June 9, 2008, at 10:00 a.m. with the following members present:

Ernie Moore, President  
John L. Campbell, Vice President  
Tom Hefner  
Kathy Parker  
Elizabeth M. Stewart

The meeting was called to order by President Ernie Moore at 10:05 a.m.

Ernie Moore gave a non-denominational prayer.

Tom Hefner moved and Kathy Parker seconded to approve the consent agenda items (minutes of May 20 and May 29, 2008, payment of bills, budget supplements and transfers, transportation requests and reports, permission to attend school in Lewis County, and Head Start monthly reports). Vote: unanimous.

John Campbell moved and Elizabeth Stewart seconded to approve the following employment/reassignment effective 2008-09:

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2. Jami Hefner - BCMS BD/Autism Teacher from LD/BD/MI/Autism Teacher - Itinerant

3. Michael Brady - Davis Physical Education Teacher from LD/BD/MI/Autism Teacher - Itinerant

Vote: Yes; Ernie Moore, John Campbell, Kathy Parker, Elizabeth Stewart Abstaining; Tom Hefner. Motion carried.

Kathy Parker moved and John Campbell seconded to approve the following summer school employment:

1. Tammy Brown - Burnsville Elementary
2. Patty Montgomery - Davis Elementary
3. Judith Carson - Flatwoods Elementary
4. Laura Allen - Frametown Elementary
5. Trisha Gregory - Little Birch Elementary
6. Flora Cox - Sutton Elementary
7. Holly Riley - BCMS
8. Kelly Johnston - BCHS
9. Grace Wine - BCHS

Vote: unanimous.

Elizabeth Stewart moved and Kathy Parker seconded to approve the following extra duty assignment resignations:

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Vote: unanimous.

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(Boosters)

Vote: unanimous.

Bid proposals for Distance Learning were opened.

Tom Hefner moved and John Campbell seconded to table acceptance of the proposal for Distance Learning until the next meeting so the Director of Technology can review the bids.

Vote: unanimous.

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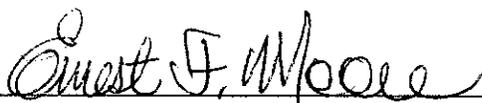
The next regular meeting of the Board will be Wednesday, June 25, 2008 at 10:00 a.m..

Others in attendance:

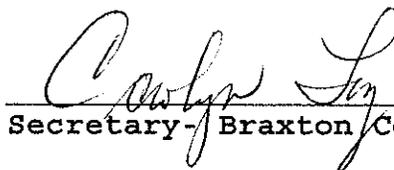
Robert C. Holcomb  
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Jake Clifton  
Dave McChesney

Louise Grindo  
Dana Johnson  
Kimberly Clifton  
Barbara Coffman  
Jared Clifton  
Norma Bright  
Roger Hall

*June 13, 2008*



\_\_\_\_\_  
President - of Braxton County Board of Education



\_\_\_\_\_  
Secretary - Braxton County Board of Education



# SCHOOL BOND ELECTION

MAY 13, 2008

Shall the Board of Education of the County of Braxton incur debt and issue bonds in the amount of \$16,100,000, maturities on such bonds to run not more than twenty-one (21) years from the date of such bonds, with interest not exceeding the rate of seven and no/100 per annum (7.00%), payable semiannually, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing and/or equipping the school buildings, facilities and structures in the Braxton County Public School District to provide adequate, safe and convenient facilities for the School district, namely:

PROJECT	LOCATION	ESTIMATED COST	
<b>Frametown Elementary</b> Construct two (2) classrooms, a mechanical room, kitchen addition and two (2) student restrooms. Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting-interior /exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.	Existing Frametown Elementary School Frametown, West Virginia	Bond Funds	\$2,590,775
<b>Little Birch Elementary</b> Construct two (2) classrooms, two (2) student Restrooms and Mechanical Room. Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repair, painting interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.	Existing Little Birch Elementary School Little Birch, West Virginia	Bond Funds	\$2,863,781
<b>Burnsville Elementary</b> Construct elevator and service connector Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood, ventilation and furnishings and equipment.	Existing Burnsville Elementary School	Bond Funds	\$3,114,833
<b>Braxton County Middle School</b> Renovations to include: paved parking areas, renovations for Board of Education offices, new roofing and new lockers	Existing Braxton County Middle School	Bond Funds	\$1,346,810
<b>Braxton County High School</b> Renovations to include: new VCT flooring, base, Painting - interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section, air handler replacement, new lockers and furniture and equipment.	Existing Braxton County High School	Bond Funds	\$3,368,122
<b>Davis Elementary</b> Constructions of two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical rooms and restrooms. Renovations to include: restrooms, new lighting, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment.	Existing Davis Elementary School	Bond Funds Grant Funds	\$1,602,979 \$3,263,783
<b>Flatwoods Elementary School</b> Construction of five (5) classrooms, physical education classroom, gym storage, two (2) student restrooms, mechanical room and kitchen addition. Renovations to include: restrooms, new lighting and ceiling tiles, painting - interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.	Existing Flatwoods Elementary School	Bond Funds Grand Funds	\$725,369 \$2,865,702
<b>Sutton Elementary School</b> Construction of two (2) classrooms, student restrooms and mechanical room. Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, asbestos abatement, exterior masonry repointing, new windows, doors, frames, hardware, electrical service, and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, new furnishings and equipment, exterior ramp removal and sidewalk renovations and repairs.	Existing Sutton Elementary School	Bond Funds Grant Funds	\$438,655 \$1,670,515

**TOTAL PROPOSED BOND CALL:**

Project costs:	\$23,851,324
Costs of Issuance	\$ 48,676
Third Party Funds	\$ 7,800,000
Total Proposed	
Bond Call	<u>\$16,100,000</u>

The above amounts are made up of the aggregate principal amount of the Bond issue in the sum of SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000).

The foregoing amounts include the costs of acquiring necessary lands, sites and rights-of-way, if any, engineering and architectural costs, including but not limited to the cost of using County maintenance personnel, the costs and estimated costs of the issuance of the Bonds, interest during the construction of the Projects, and such other costs, fees, and expenses as may be necessary and/or properly incurred in carrying out the foregoing projects. All Handicapped and E.S.S.I.A. Title 1 expenditures are subject to written approval by the West Virginia Department of Education. If for any reason any one or more of the above enumerated projects cannot be constructed, carried out, or completed, the amount above set out for any such project and any sums remaining unused upon completion of any of the foregoing projects may be allocated by the Braxton County Board of Education in its discretion, to and expended for any one or more of the remaining projects set out above, as provided by Section 6(a) Article 1, Chapter 13, of the Code of West Virginia, 1931, as amended. The amount of the Bond issue reflects the School District having received one or more grants from the West Virginia School Building Authority and/or sources in an amount not less than Seven Million Eight Hundred Thousand Dollars (7,800,000) for use the renovations and improvements at the Davis, Flatwoods and Sutton Elementary Schools, the receipt of which sum is a condition precedent to the resource of the Bonds. In the event the Braxton County Board of Education shall obtain additional money by grant or otherwise from the state or federal government, or from and agency of either, or from any other source, for use in the acquisition, construction, renovation, improvement, furnishing, and/or equipping of the above enumerated projects, such additional money may be used either in substitution for or in addition to the proceeds of the sale of the bonds proposed hereby, as may be determined by said Board and the granting body or agency.

- YES (For the Bond Issue.)
- NO (Against the Bond Issue.)

**NOTICE TO VOTERS:**

To vote in favor of the proposition (for the Bond Issue) submitted on this ballot, mark an X in the box next to "YES".  
To vote against the proposition (against the Bond Issue), mark and "X" in the box next to "NO".

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 29, 2008**

**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*

**\$16,100,000**  
**The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

**Dated:** Date of Delivery

**Due:** May 1, as shown below

The Bonds are general obligations of The Board of Education of the County of Braxton, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Braxton 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 State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as Registrar.

Interest on the Bonds will be payable May 1, 2009 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 Owners of the Bonds, as described herein.

The Bonds are subject to redemption prior to maturity as described herein.

**MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS**

Maturing (May 1)	Principal Amount (\$)	Interest Rate (%)	Yield (%)	CUSIP Base #:	Maturing (May 1)	Principal Amount (\$)	Interest Rate (%)	Yield (%)	CUSIP Base #:
2010	485,000				2020	795,000			
2011	510,000				2021	835,000			
2012	535,000				2022	875,000			
2013	565,000				2023	920,000			
2014	590,000				2024	965,000			
2015	620,000				2025	1,010,000			
2016	655,000				2026	1,065,000			
2017	685,000				2027	1,115,000			
2018	720,000				2028	1,170,000			
2019	755,000				2029	1,230,000			

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about September 30, 2008.

**Sale Date: September 17, 2008**

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.

**\$16,100,000**  
**The Board of Education of the**  
**County of Braxton (West Virginia)**  
**Public School Bonds, Series 2008**

**ELECTED OFFICIALS**

Ernie More, President  
John Campbell  
Roger W. Hall  
Elizabeth Stewart  
Kathy Parker

**APPOINTED OFFICIALS**

Carolyn D. Long, Superintendent  
Charles Michael McCoy, Assistant Superintendent  
Ginger L. Altizer, Treasurer

**BOARD'S COUNSEL**

Bowles Rice McDavid Graff & Love LLP  
Charleston, WV

**BOND COUNSEL**

Bowles Rice McDavid Graff & Love, LLP  
Charleston, West Virginia

**FINANCIAL ADVISOR**

Raymond James & Associates, Inc.

No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Braxton, 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.

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**OFFICIAL STATEMENT  
RELATING TO**

**\$16,100,000  
The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

**INTRODUCTION**

This Official Statement provides certain information in connection with the sale of \$16,100,000 in aggregate principal amount of The Board of Education of the County of Braxton (West Virginia) Public School Bonds, Series 2008 (the "Bonds"). A brief description of The Board of Education of the County of Braxton, West Virginia (the "Board"), the Braxton County School District (the "School District") and the County of Braxton, West Virginia (the "County" or "Braxton County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

**THE BONDS**

General

The Bonds are dated the Date of Delivery 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:

<b>Maturing (May 1)</b>	<b>Principal Amount (\$)</b>
2010	\$485,000
2011	510,000
2012	535,000
2013	565,000
2014	590,000
2015	620,000
2016	655,000
2017	685,000
2018	720,000
2019	755,000
2020	795,000
2021	835,000
2022	875,000
2023	920,000
2024	965,000
2025	1,010,000
2026	1,065,000
2027	1,115,000
2028	1,170,000
2029	1,230,000

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

Interest on the Bonds will be payable May 1, 2009 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 his address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of \$500,000 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 Paying Agent at least five days prior to an interest payment date.

#### Optional Redemption

The Bonds maturing on or after May 1, 2019, are subject to redemption on or after May 1, 2018, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board 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.

Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for their redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Board shall default in the payment of the redemption price), such Bonds shall cease to bear interest.

#### Book-Entry Only System

##### **DTC Supplied Disclosure of Book Entry Only System**

The following information about the book-entry-only system applicable to the Series 2008 Bonds has been supplied by The Depository Trust Company ("DTC"), New York, New York. DTC. Neither the Board (called the "Issuer" herein), the Registrar nor the Paying Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness.

1. DTC will act as securities depository for the Series 2008 Bonds. 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 Bond certificate will be issued for each maturity of the Series 2008 Bonds, in the aggregate principal amount of the Series 2008 Bonds, 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 2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor’s highest rating: AAA. 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Series 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Series 2008 Bonds will 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 the Series 2008 Bonds, except in the event that use of the book-entry system for the Series 2008 Bonds is discontinued.
4. To facilitate subsequent transfers, all Series 2008 Bonds 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 Series 2008 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2008 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2008 Bonds 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 the Series 2008 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2008 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2008 Bonds may wish to ascertain that the nominee holding the Series 2008 Bonds 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 Series 2008 Bonds 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 the Series 2008 Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board 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 Series 2008 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Series 2008 Bonds 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 the Issuer or the Paying Agent, on the 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 the Series 2008 Bonds 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 nor its nominee, the Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying 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. DTC may discontinue providing its services as securities depository with respect to the Series 2008 Bonds at any time by giving reasonable notice to the Issuer or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.
10. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.
11. The information in this exhibit concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

#### **No Assurances Regarding DTC Practices**

The Issuer, the Paying Agent and the Registrar cannot and do not give any assurances that the DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2008 Bonds (1) payments of principal and premium, if any, on and interest on the Series 2008 Bonds, (2) confirmations of beneficial interest in the Series 2008 Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Series 2008 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the same manner as described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of the DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer, the Paying Agent nor the Registrar shall have any authority or obligation to any Direct Participant, Indirect Participant, Beneficial Owner or other person with respect to (1) the accuracy of any records maintained by the DTC or any Participant; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price or interest on the Series 2008 Bonds; (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner; or (4) the selection of the Beneficial Owners to receive payment in excess of any partial redemption of the Series 2008 Bonds.

#### Purpose

To provide funds for making certain improvements in the School District defined in "Proposed Projects" in Appendix D.

#### Authority

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on and principal of such Bonds were authorized and approved at the Statewide primary election held on May 13, 2008 pursuant to the Act, and to orders and resolutions duly entered and adopted by the Board. The ballot questions also included a maximum term of 21 years from the date of issuance of the Bonds and an interest rate not exceeding 7% per annum. The canvass of said special election showed 2,609 "Yes" votes and 2,407 "No" votes, a 52.014% voter approval of those who participated.

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 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 Act, require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

#### 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

The Bond Commission is charged with the administration of the interest and sinking funds created to service the debt of the State and its subdivisions. The proceeds of taxes levied for debt service by the Board are collected by 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 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 2008 Budget Bill is indicative:

Sec. 13. 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.

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 Braxton. 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.

## BRAXTON 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. Presently, the terms of the members are for four years and are staggered so that no more than three terms expire at one time. An election was held on May 13, 2008. The terms of such members begin on the first day of July next following the primary election at which they were elected.

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 2007-2008, the Braxton County school system had a central office professional staff of 7 with the overall responsibility to coordinate and supervise the activities of 12 school administrators, 205 instructional staff (teachers and other professionals), and 120 service personnel. Total Full Time Equivalent positions are 353. The average pupil-teacher ratio for the 2007-2008 school year was 11 to 1 (combined elementary, middle and secondary schools).

### Historical School Enrollment (School Year)

<b>Grades</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Pre-K	235	194	200	169	195	173
K	144	165	173	162	151	180
1	148	152	159	169	166	141
2	169	143	142	166	162	167
3	163	180	148	138	172	158
4	192	169	168	151	142	169
5	161	199	167	167	147	143
6	230	169	196	171	166	153
7	196	223	169	198	165	168
8	212	199	229	173	197	162
9	213	240	233	247	200	209
10	204	187	205	191	195	155
11	162	179	166	179	169	188
12	<u>158</u>	<u>163</u>	<u>166</u>	<u>163</u>	<u>164</u>	<u>148</u>
Total	2587	2562	2521	2444	2391	2314

### **Rate of Increase (Decrease) in Enrollment**

2003-2008	(10.55%)
Annualized	(1.76%)

Source: Braxton County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2009	2,295
2010	2,280
2011	2,280
2012	2,275

Source: Braxton County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Renovation or Addition And Date
Braxton County High School	9-12	Masonry	1967	Additions 2002; 2006
Braxton County Middle School	5-8	Masonry	1992	None
Burnsville Elementary School	PK-4	Masonry	1917	Additions 1925; 1951; 1983 Renovations 1951; 2002
Davis Elementary School	PK-4	Masonry	1955	Additions 1978; 1980 Renovation 2001
Flatwoods Elementary School	PK-4	Masonry	1980	Addition 1994 Renovation 2007
Frametown Elementary School	PK-4	Masonry	1972	Additions 1983; 1991 Renovation 2006
Little Birch Elementary School	PK-4	Wood/Masonry	1935	Additions 1971; 1985; 1992 Renovation 1985
Sutton Elementary School	PK-4	Masonry	1955	Addition 1980 Renovation 2002

Source: Braxton County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Braxton County Sheriff (the "Sheriff") and are remitted by him to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by him 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 his office during the preceding month. The Auditor, each month, draws his warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by him upon the redemption of the property included in his 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 him before sale and redemption.

Tax Levies and Collections\*

Year	Projected Gross Tax (\$)	Projected Net Tax Collected (\$)	Actual (\$)	Actual (%)
	at 100%	at 92-93% Less Assessors Fee	Collected	Collected
<u>2004-2005</u>				
General Current	2,320,432	2,114,841	2,381,966	112.63
<u>2005-2006</u>				
General Current	2,518,449	2,297,782	2,539,918	110.54
<u>2006-2007</u>				
General Current	2,607,280	2,378,830	2,777,872	116.77
<u>2007-2008</u>				
General Current	2,866,577	2,615,407	N/A	N/A
<u>2008-2009</u>				
General Current	3,073,684	2,804,368	N/A	N/A
Bond Levy	536,667	536,667	N/A	N/A

\*Note: The Board of Education plans to hold an election for an excess levy in November of 2008. If passed, the excess levy would be effective for Fiscal Year beginning 2010. Source: Braxton County Board of Education

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 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. 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 2008 assessment year valuations are made as of July 1, 2007, with taxes levied and collected during the fiscal year July 1, 2008, through June 30, 2009.

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 State 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, provides 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 Braxton County School District includes all of Braxton 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. 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. The legislation limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The legislation specifically provided that assessors should not implement the reappraisal described above. The legislation requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

**Assessed Valuation By Property Class\***

Class	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
I	3,108,882	3,248,675	3,866,324	3,788,355	-0-
II	114,716,458	125,992,630	134,860,994	146,721,970	152,472,594
III	186,693,382	204,625,439	217,944,868	255,171,113	279,056,810
IV	<u>38,427,060</u>	<u>38,993,890</u>	<u>38,755,309</u>	<u>39,925,209</u>	<u>40,800,372</u>
Total	342,945,782	372,860,634	395,427,495	445,606,647	472,329,776

**Assessed Valuation By Property Category\***

Category	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Real	188,498,960	202,966,930	219,818,570	243,222,430	258,813,330
Personal	100,587,892	114,812,630	119,682,583	142,740,904	152,783,048
Public Utility	<u>53,858,930</u>	<u>55,081,074</u>	<u>55,926,342</u>	<u>59,643,313</u>	<u>60,733,398</u>
Total	342,945,782	372,860,634	395,427,495	445,606,647	472,329,776

\*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded amounted to:

\$28,617,066 in 2004-2005      \$30,313,124 in 2006 - 2007      \$31,434,954 in 2008 - 2009  
 \$29,478,732 in 2005-2006      \$30,796,278 in 2007 - 2008

**Largest Assessed Valuations (2008)\***

Property Owner	Assessed Valuation (\$)
Weyerhaeuser	40,633,568
Skidmore Development, Inc.	5,150,040
Island Creek Coal Co.	4,962,430
Brooks Run Mining Co. LLC	3,604,334
Wolfpen Knob Development Co	3,147,910
Skidmore & Woodward Development	2,473,980
Babcock Lumber Company	2,339,745
Mid State Automotive Inc	1,647,442
Appalachian Timber	1,628,679
S & R Gas Ventures	1,573,936

\*The assessed valuations include real and personal property in Class III or IV.

Source: Braxton County Assessor

Tax Rate Comparisons.

The following shows Braxton 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 2008; Fiscal Year 2008 - 2009.

**Rates of Levy\***

<b>County</b>	<b>Class I</b>	<b>Class II</b>	<b>Class III/IV</b>
BRAXTON	37.56	75.12	150.24
Gilmer	47.01	94.02	188.04
Calhoun	42.69	85.38	170.76
Clay	40.36	80.72	161.44
Lewis	46.31	92.62	185.24
Nicholas	47.26	94.52	189.04
Webster	33.27	66.54	133.08

\*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 \$.2295 per \$100 assessed valuation in respect to Class I, \$.4590 per \$100 in respect to Class II, and \$.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)**

<b>Class</b>	<b>School Current Levy</b>				
	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
I	20.48	20.48	20.05	19.40	19.40
II	40.96	40.96	40.10	38.80	38.80
III and IV	81.92	81.92	80.20	77.60	77.60

**School Excess Levy**

The Board did not have an excess levy for fiscal year ending 2005 through fiscal year ending 2009. The Board does have an excess levy on the November 2008 ballot.

### School Bonds

Class	2008-2009
I	3.73
II	7.46
III and IV	14.92

The Board did not have an bond levy for fiscal year ending 2005 through fiscal year ending 2008.

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8 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 Braxton County Board of Education, but not including those relating to the proposed bond issue, in cents per \$100 assessed valuation for the 2008-2009 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	14.18	28.36	56.72
School Current	19.40	38.80	77.60
School Bonds	3.73	7.46	14.92

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 2008-2009 fiscal year.

Municipality	Class I	Class II	Class IV
Burnsville	12.50	25.00	50.00
Flatwoods	11.50	23.00	46.00
Gassaway	12.50	25.00	50.00
Sutton	12.50	25.00	50.00

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 (2007)	14,639
Assessed Valuation*	\$472,329,776
Debt Limit (5% of Assessed Valuation)	23,616,488
Outstanding Debt (including the Series 2008 Bonds)	\$16,100,000
Debt Contracting Margin	7,516,488
Per Capita Debt	\$1,100
Outstanding Debt as percentage of Assessed Valuation	3.41%

\*Assessed Value is estimated to be approximately 60% of appraised or market value (Fiscal Year 2009).

**Debt Service Requirements**

Upon issuance of the Bonds, based on the interest rates and yields set forth on the cover page, the Board will have the following debt:

**Schedule of Bond Indebtedness  
Public School Bonds**

<b>Year Ending June 30</b>	<b>Series 2008 Principal (\$)</b>	<b>Series 2008 Interest (\$)</b>	<b>Total (\$)</b>
2010	485,000		
2011	510,000		
2012	535,000		
2013	565,000		
2014	590,000		
2015	620,000		
2016	655,000		
2017	685,000		
2018	720,000		
2019	755,000		
2020	795,000		
2021	835,000		
2022	875,000		
2023	920,000		
2024	965,000		
2025	1,010,000		
2026	1,065,000		
2027	1,115,000		
2028	1,170,000		
2029	<u>1,230,000</u>		
<b>TOTAL</b>	<b>\$16,100,000</b>		

**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 State 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 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 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 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 State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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

**Revenues, Expenditures and Changes in Fund Balance -- Regulatory Basis  
Budget and Actual  
General Current Expense Fund  
Year ended June 30**

	<b>2006 Budget</b>	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<i>Revenues Collected:</i>						
Local Sources:						
Property Taxes	2,297,783	2,539,917	2,378,830	2,777,872	2,615,407	2,804,368
Other Local Sources	192,440	316,507	235,289	415,747	180,400	180,400
State Sources						
Other Unrestricted					2,964,669	2,930,781
Federal Sources	<u>144,830</u>	<u>443,961</u>	<u>248,701</u>	<u>322,395</u>	<u>206,379</u>	<u>133,143</u>
Total Revenues Collected	15,278,588	16,002,889	15,543,751	16,193,683	15,846,371	16,051,689
<i>Expenditures Paid:</i>						
Instruction	9,695,995	9,200,892	9,487,474	9,449,116	9,924,684	10,162,367
<i>Supporting Services:</i>						
Students	694,023	647,720	780,465	648,747	786,418	673,979
Instructional Staff	285,830	290,964	343,939	332,198	359,789	373,230
Central Administration	528,443	508,110	485,101	473,435	480,969	512,825
School Administration	1,274,765	1,244,314	1,296,238	1,293,993	1,339,434	1,431,780
Business	262,466	236,317	284,336	281,610	282,808	300,922
Operation & Maintenance of Facilities	1,644,884	1,541,707	1,799,319	1,724,807	1,593,192	1,719,515
Student Transportation	1,820,679	1,722,126	1,794,846	1,758,637	1,822,252	1,896,643
Food Services	2,154	2,154				
Community Services	38,390	36,711	38,390	37,003	38,390	38,390
Capital Outlay	462,976	180,503	531,200	178,991	16,627,936	17,119,651
<i>Debt Service:</i>						
Principal Retirement						
Interest & Fiscal Charges						
Total Expenditures	16,710,605	15,611,519	16,841,308	16,178,537	16,627,936	17,477,140
Excess (Deficiency) of Revenues over Expenditures	<u>(1,432,017)</u>	<u>391,370</u>	<u>(1,297,557)</u>	<u>15,146</u>		
Total Other Financing Sources (Uses)	(645,483)	(355,896)	(868,701)	(551,065)		
Net change in Fund Balance	(2,077,500)	35,474	(2,166,258)	(535,919)		
Fund Balance at July 1, 200__	<u>2,077,500</u>	<u>2,130,784</u>	<u>2,166,258</u>	<u>2,267,755</u>		
Fund Balance at June 30, 200__	-0-	2,166,258	-0-	1,731,836		

Source: Braxton County Board of Education

Teachers Retirement Systems (Source: State of West Virginia Consolidated Public Retirement Board)

**Teachers Retirement System (Defined Benefit)**

The Teacher's 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, 2007, 28,040 retirees and beneficiaries were receiving benefits. As of July 1, 2007, there are 19,529 active members. 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, 2007 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, 2007, the unfunded liability of TRS was \$3.47672 billion. The funded percentage was 51.3%. The TRS unfunded accrued liability should 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, 2007, there were approximately 19,164 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.

Insurance Coverage (Source: Braxton County Board of Education)

1. Type	Amount in Force (FY 2008)
Deluxe Commercial Property insurance	\$ 25,157,594
Deductible per occurrence	\$ 2,500
Machinery and Equipment insurance	\$ 1,065,905
Deductible per occurrence	\$ 1,000
Flood insurance	\$ 1,879,300
Deductible per occurrence	\$ 500
Public official position bond: Superintendent	\$ 50,000
Board President	\$ 50,000
Treasurer	\$ 200,000
Fidelity Honesty Bond	\$

## 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 \$500 for private passenger vehicles or \$1,000 for other vehicle types including mobile equipment.

**DEFENSE COSTS.** Defense costs are in addition to the each occurrence limit of liability.

### **TAX MATTERS**

In the opinion of Bond Counsel, (a) under existing laws, regulations, 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 or corporations upon the conditions and subject to the limitations set forth in this section, and (b) under existing West Virginia Law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, in order for interest on the Bonds to be and remain exempt from federal income taxation, including restrictions that must be complied with throughout the term of the Bonds. These include requirements applicable to the use and investment of the proceeds of the Bonds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Board has covenanted to regulate the use and investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. Bond Counsel's opinion assumes compliance with such covenants and that the Board will take such actions.

The Code imposes an alternative minimum tax with respect to individuals and corporations on alternative minimum taxable income. Interest on the Bonds is not included in corporate or individual alternative minimum taxable income as an enumerated item of tax preference or other specific adjustment. However, a corporation is required to increase its alternative minimum taxable income by 75% of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to its current earnings adjustment and the alternative tax net operating loss deduction). For such purposes "adjusted current earnings" would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be includable in the applicable taxable base for the purpose of determining branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States.

Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Other consequences for federal income tax purposes of ownership of obligations such as the Bonds also result from the Code under certain circumstances. Owners of the Bonds should consult their own tax advisors as to the effects of the Code in their particular circumstances. Bond Counsel will render no opinion with respect to these or other collateral tax consequences of owning the Bonds.

## 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. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, 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 affect on the financial condition of the Board.

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 agreed for the benefit of the holders of the Bonds to provide each Nationally Recognized Municipal Securities Information Repository and, if established, the State Information Depository, on an annual basis on or before 300 days after the end of each fiscal year, certain financial and operating data and in a timely manner, notices of certain material events, in order to comply with Rule 15c2-12 promulgated by the Securities Exchange Commission (the "Rule"). The Board has agreed to employ the corporate trust services of United Bank, Inc., Charleston, West Virginia, to provide dissemination services in conjunction with continuing disclosure for its Series 2008 Bonds. The form of the Continuing disclosure Agreement is attached hereto as Appendix F.



**APPENDIX A**

**AUDIT REPORT OF  
BRAXTON COUNTY BOARD OF EDUCATION**

**For the Fiscal Year Ended June 30, 2007**

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**BRAXTON COUNTY BOARD OF EDUCATION**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**BRAXTON COUNTY BOARD OF EDUCATION  
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**BRAXTON COUNTY BOARD OF EDUCATION  
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
SCHEDULE OF FUNDS INCLUDED IN REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**GOVERNMENTAL FUND TYPES**

General Current Expense

Special Revenue Fund

Capital Projects Fund

**FIDUCIARY FUND TYPE**

Agency School Activities

**BRAXTON COUNTY BOARD OF EDUCATION  
BOARD OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

<u>Office</u>	<u>Name</u>	<u>Term</u>
	<u>Elective</u>	
Board Members:	Arlene Herndon	07/01/04 - 06/30/08
	John Campbell	07/01/06 - 06/30/10
	Ernie Moore	07/01/04 - 06/30/08
	Elizabeth Stewart	07/01/06 - 06/30/10
	Kathy Parker	07/01/06 - 06/30/10
	<u>Appointive</u>	
Board President	Arlene Herndon	
Superintendent	Carolyn D. Long	
Treasurer	Ginger Altizer	

# SULLIVAN WEBB, PLLC

CERTIFIED PUBLIC ACCOUNTANTS  
422 KINETIC DRIVE - P.O. BOX 2745  
HUNTINGTON, WEST VIRGINIA 25727-2745  
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MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
WV SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS

BRUCE I. SULLIVAN, CPA  
CHARLES D. WEBB, MBA, CPA

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Honorable Members of  
Braxton County Board of Education  
Sutton, West Virginia

We have audited the accompanying financial statements of the Braxton County Board of Education, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion 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 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Braxton County Board of Education, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2008, on our consideration of Braxton County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 and budgetary comparison information on pages 5 through 12 and 37 through 39 are not a required part 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 performed for the purpose of forming opinions on the financial statements that collectively comprise Braxton County Board of Education's basic 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 not a required part of the basic financial statements. Also, the accompanying other supplementary information of the schedule of changes in School Activity Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements of Braxton County Board of Education. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "J. Sullivan, CPA".

February 28, 2008

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Our discussion and analysis of the Braxton County Board of Education's financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2007. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

**Financial Highlights**

- The Board's assets exceeded liabilities by \$12,897,850 at the close of the most recent fiscal year. Of this amount, a negative \$1,630,648 represents the fact that the unrestricted assets are unable to meet the obligation of the potential liabilities
- The Board's total net assets decreased by \$374,264. Approximately \$175,463 of this decrease is attributable to unexpected major repairs including replacing the boiler at Braxton County High School, replacing the roof at Flatwoods Elementary, and adding an elevator at Sutton Elementary. In addition \$202,166 was needed to complete the Braxton County High School/Fairmont State University Project.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$1,731,834, a decrease of \$535,921 in comparison with the prior year. The entire \$1,731,834 is available for spending at the Board's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,731,834, or 11 percent of total general fund expenditures.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) district-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.

**District-wide financial statements** - The district-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 or 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).

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The district-wide financial statements can be found on pages 13 - 14 of this report.

**Fund financial statements** - A fund is a grouping of related accounts that is 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 district-wide financial statements. However, unlike the district-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 district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-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 three 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 capital projects fund, all of which are considered major funds.

*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 district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 40 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 district-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 36 of this report.

### **District-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 \$12,897,850 at the close of the most recent fiscal year.

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current and other assets	\$ 3,738,433
Capital assets	<u>14,528,498</u>
<b>Total Assets</b>	<b>\$ <u>18,266,931</u></b>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities:</b>	
Current and other liabilities	\$ 1,820,405
Long-term liabilities outstanding	<u>3,548,676</u>
<b>Total Liabilities</b>	<u>5,369,081</u>
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt	14,528,498
Unrestricted	<u>(1,630,648)</u>
<b>Total Net Assets</b>	<u>12,897,850</u>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>18,266,931</u></b>

A comparative analysis will be provided in future years when prior year information is available.

- The Board's net assets reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, 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.
- The off-setting negative balance of *unrestricted net assets* illustrates the dramatic effect that the long-term payroll liabilities, specifically accrued sick leave payable, make on the financial stability of the Board.

The Board's net assets decreased by \$374,264 during the current year. The following discussion and analysis on governmental activities focuses on this decrease.

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The key elements of the decrease of the Board's net assets for the year ended June 30, 2007 are as follows:

	<u>Governmental Activities</u>
<b>REVENUES:</b>	
Program revenues:	
Charges for services	\$ 186,325
Operating grants and contributions	4,373,785
Capital grants and contributions	193,463
General revenues:	
Property taxes	2,882,250
Unrestricted state aid	12,677,668
Unrestricted grants and contributions	<u>845,686</u>
<b>Total Revenues</b>	<u>21,159,176</u>
<b>Expenses:</b>	
Instruction	<u>12,930,147</u>
Supporting services:	
Students	824,468
Instructional staff	675,253
District administration	594,778
School administration	1,287,946
Business services	305,667
Operation and maintenance	1,751,944
Transportation	<u>1,884,324</u>
<b>Total Supporting Services</b>	7,324,381
Food services	1,241,862
Community services	<u>37,050</u>
<b>Total Expenses</b>	<u>21,533,440</u>
<b>Change in net assets before transfers</b>	<u>(374,264)</u>
<b>Transfers</b>	<u>-0-</u>
<b>Change in net assets</b>	(374,264)
<b>Net assets - July 1, 2006</b>	<u>13,272,114</u>
<b>Net assets - June 30, 2007</b>	\$ <u>12,897,850</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The decrease in revenues for 2007 was approximately \$3,242,021. The breakdown of the significant changes in revenue came from the following sources:

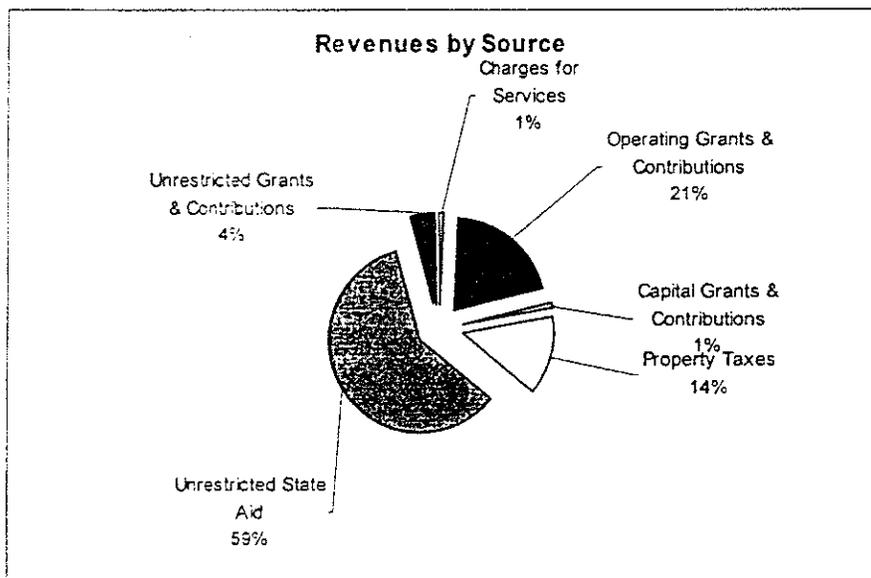
1. Increase in Property Taxes	\$ 237,954
2. Increase in Other Local Sources	119,370
3. Decrease in Intermediate Sources	(887,880)
4. Decrease in State Sources	(2,308,527)
5. Decrease in Federal Sources	(402,335)

The decrease in Intermediate and State Sources are largely attributed to the completion of an SBA project at BCHS.

The decrease in Federal Sources includes a change in Medicaid billing which resulted in approximately \$95,651 less reimbursements received.

A comparative analysis of revenues will be provided in future years when prior year information is available.

The following chart shows the Board's revenues for fiscal year ended June 30, 2007 by source:



The decrease in expenditures for 2007 was approximately \$2,645,229. The breakdown of the significant changes in expenses came from the following functions:

1. Increase in Operation and Maintenance	\$ 200,689
2. Increase in Student Transportation	112,412
3. Increase in Food Service	88,986
4. Decrease in Capital Outlay	(3,054,143)

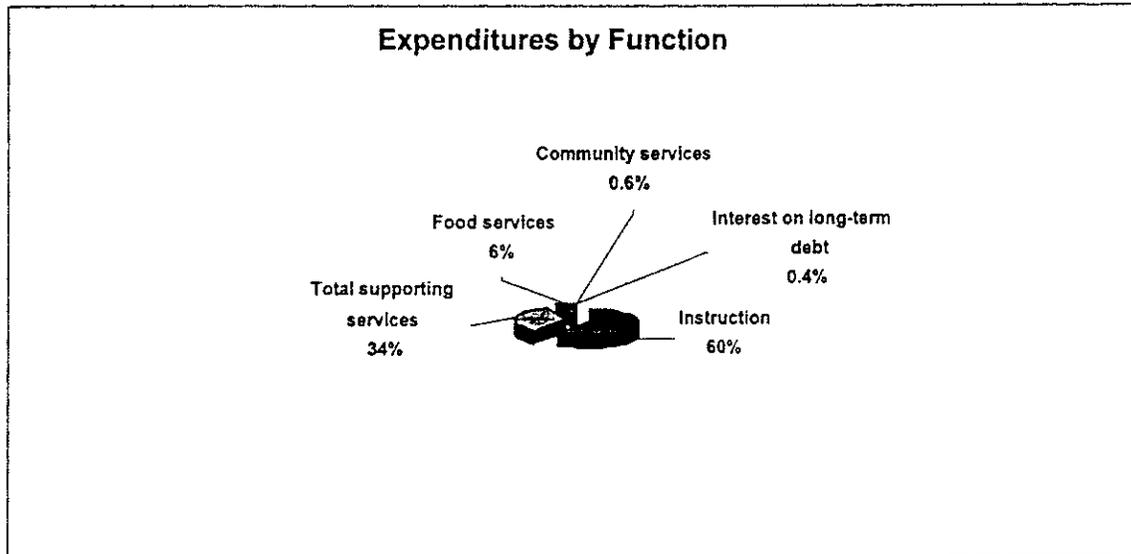
**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The increases in the three functions above are largely caused by continually rising costs, especially the additional costs related to fossil fuels.

The decrease in Capital Outlay was due to the completion of the SBA project at BCHS in August 2007.

A comparative analysis of expenditures will be provided in future years when prior year information is available.

The following chart shows the Board's expenditures for fiscal year ended June 30, 2007 by function:



### Financial Analysis of the Board's Funds

As noted earlier, the School 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 \$1,731,834.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the Board's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the Board's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. The \$1,731,834 fund balance of the general fund is for the following purpose:

1. Encumbrances totaling \$58,562
2. Designated funds totaling \$1,615,970
3. Undesignated \$57,302.

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**Designated Funds**

	<u>Amount</u>
Re-establish On-going Local Projects	\$ 313,005
Support of Middle and High School Bands	20,000
Support Schools in Achievement Goals	40,000
Support Schools in Playground Enhancement (Carryover from FY-07)	19,675
Offset Insurance Increases	18,828
Supplement Salary Expenditure Line (Over Formula and Extra Days)	<u>1,204,462</u>
 Total Unreserved Fund Balance - Designated	 \$ <u>1,615,970</u>

**General Fund Budgetary Highlights**

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$1,020,641 or 6% in total general fund expenditures. The most significant differences may be summarized as follows:

1. Increase in the Operation and Maintenance of Facilities budget directly relates to additional expenses for major repairs including roofs, boilers, etc.
2. Increase in the Capital Outlay budget was to facilitate the completion of the addition to Braxton County High School.

**Capital Asset and Debt Administration**

**Capital Assets** – The Board’s investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$14,528,498 (net of accumulated depreciation). This investment in capital assets includes land, 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 2.5%.

Major capital asset events during the current fiscal year included the following:

1. Completion of the addition to Braxton County High School.

	<u>Amount</u>
Land	\$ 229,171
Buildings and improvements	13,277,969
Furniture and equipment	117,343
Vehicles	904,015
Construction in process	-0-
Total capital assets	\$ <u>14,528,498</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Additional information on the Board's capital assets can be found in Note 7 to the basic financial statements.

**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:

1. The rising costs associated with the price of fuel could affect the cost of many expenditures in the future, not just the ones directly related to fuel.
2. County funds will be needed to partially fund any/all raises passed by the State Legislature in the future due to the county having more employees than funded by the State Aid Formula.
3. The county is currently readying for a potential bond/levy election and enormous SBA project. The outcome, however uncertain, will obviously have large financial repercussions.

**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, please contact Braxton County Board of Education, 411 North Hill Road, Sutton, WV 26601, (304) 765-7101.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007**

<b>ASSETS</b>	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 2,611,387
Deposit with Workers Commission	-0-
Taxes receivable, net of allowance for uncollectible taxes	208,389
Food services receivable	5,583
Other receivables	184,390
Due from other governments:	
State aid receivable	9,139
PEIA allocation receivable	318,216
Reimbursements receivable	401,329
Capital Assets:	
Land	229,171
Buildings and improvements	19,496,511
Furniture and equipment	396,885
Vehicles	2,333,368
Less accumulated depreciation	<u>(7,927,437)</u>
Total capital assets, net of depreciation	<u>14,528,498</u>
<b>Total assets</b>	<u><b>18,266,931</b></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities:</b>	
Salaries payable and related payroll liabilities	1,147,676
PEIA premiums payable	494,428
Compensated absences	30,707
Accounts payable	127,595
Deferred revenues	19,999
Long-term obligations:	
Due within one year:	
Accrued sick leave payable	100,581
Due beyond one year:	
Accrued sick leave payable	<u>3,448,095</u>
<b>Total liabilities</b>	<u><b>5,369,081</b></u>
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt	14,528,498
Unrestricted	<u>(1,630,648)</u>
<b>Total net assets</b>	<u><b>\$ 12,897,850</b></u>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2007**

<u>Changes</u>	Program Revenues				Net (Expense), Revenues &
<u>Functions</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	in Net Assets Governmental <u>Activities</u>
Governmental activities:					
Instruction	\$ 12,930,148	\$ -0-	\$ 2,841,451	\$ 112,538	\$ (9,976,159)
Supporting services:					
Students	824,468	-0-	200,704	7,680	(616,084)
Instructional staff	675,254	-0-	265,855	6,291	(403,108)
District administration	594,778	-0-	105,221	5,461	(484,096)
School administration	1,287,946	-0-	-0-	12,002	(1,275,944)
Business services	305,667	-0-	27,121	2,856	(275,690)
Operation and maintenance of facilities	1,751,944	-0-	15,295	16,325	(1,720,324)
Student transportation	1,884,324	-0-	171,812	18,312	(1,694,200)
Food services	1,241,862	186,325	746,326	11,501	(297,710)
Community services	<u>37,050</u>	<u>-0-</u>	<u>-0-</u>	<u>497</u>	<u>(36,553)</u>
Total governmental activities	<u>21,533,441</u>	<u>186,325</u>	<u>4,373,785</u>	<u>193,463</u>	<u>(16,779,868)</u>
General revenues:					
Property taxes					2,882,250
Unrestricted state aid					12,677,668
Unrestricted grants and contributions					845,686
Transfers in					814,331
Transfers (out)					<u>(814,331)</u>
Total general revenues and transfers					<u>16,405,604</u>
Change in net assets					(374,264)
Net assets - beginning, as restated					<u>13,272,114</u>
Net assets - ending					<u>\$ 12,897,850</u>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
BALANCE SHEET - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	General Current <u>Expense</u>	Special Revenue <u>Fund</u>	Total <u>Governmental</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,611,387	\$ -0-	\$ 2,611,387
Taxes receivable, net	208,388	-0-	208,388
Food service receivable, net	-0-	5,583	5,583
Other receivables	184,389	-0-	184,389
Due from other governments:			
State aid receivable	9,139	-0-	9,139
PEIA allocation receivable	318,216	-0-	318,216
Reimbursements receivable	-0-	401,329	401,329
Due from other funds	38,919	-0-	38,919
<b>Total assets</b>	<b>\$ <u>3,370,438</u></b>	<b>\$ <u>406,912</u></b>	<b>\$ <u>3,777,350</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Salaries payable and related payroll liabilities	924,113	223,563	1,147,676
PEIA premiums payable	385,070	109,358	494,428
Accounts payable	117,500	10,095	127,595
Deferred revenue	211,921	24,977	236,898
Due to other funds	-0-	38,919	38,919
<b>Total liabilities</b>	<b><u>1,638,604</u></b>	<b><u>406,912</u></b>	<b><u>2,045,516</u></b>
 <b>Fund Balances:</b>			
Reserved for:			
Encumbrances	58,562	-0-	58,562
Unreserved:			
Designated	1,615,970	-0-	1,615,970
Undesignated	<u>57,302</u>	<u>-0-</u>	<u>57,302</u>
<b>Total fund balances</b>	<b><u>1,731,834</u></b>	<b><u>-0-</u></b>	<b><u>1,731,834</u></b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>			
	<b>\$ <u>3,370,438</u></b>	<b>\$ <u>406,912</u></b>	

Amounts reported for governmental activities in the statement of net assets differ due to:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	14,528,498
Property taxes receivable and food service billings receivable 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	216,900
Accrued sick leave payable	(30,707)
Compensated absences	<u>(3,548,675)</u>
Net assets of governmental activities	<b>\$ <u>12,897,850</u></b>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	General Current <u>Expense</u>	Special Revenue <u>Fund</u>	Capital Project <u>Fund</u>	<u>Total Governmental</u>
<b>REVENUES:</b>				
Property taxes	\$ 2,777,872	\$ -0-	\$ -0-	\$ 2,777,872
Other Local sources	415,747	188,624	-0-	604,371
Intermediate sources	-0-	-0-	86,687	86,687
State sources	12,677,668	927,476	106,279	13,711,423
Federal sources	<u>322,395</u>	<u>3,439,529</u>	<u>-0-</u>	<u>3,761,924</u>
<b>Total revenues</b>	<u>16,193,682</u>	<u>4,555,629</u>	<u>192,966</u>	<u>20,942,277</u>
<b>EXPENDITURES:</b>				
Instruction	9,449,116	2,688,355	-0-	12,137,471
Supporting services:				
Students	648,747	179,977	-0-	828,724
Instructional staff	332,198	346,224	-0-	678,422
Central administration	473,435	116,123	-0-	589,558
School administration	1,293,993	-0-	-0-	1,293,993
Business	281,610	27,121	-0-	308,731
Operation and maintenance of facilities	1,724,807	35,947	-0-	1,760,754
Student transportation	1,758,637	215,512	-0-	1,974,149
Food services	-0-	1,239,723	-0-	1,239,723
Community services	37,003	47	-0-	37,050
Capital outlay	<u>178,991</u>	<u>55,500</u>	<u>395,132</u>	<u>629,623</u>
<b>Total expenditures</b>	<u>16,178,537</u>	<u>4,904,529</u>	<u>395,132</u>	<u>21,478,198</u>
Excess (deficiency) of revenues over expenditures	15,145	(348,900)	(202,166)	(535,921)
<b>Other financing sources (uses):</b>				
Transfers in	183,450	428,715	202,166	814,331
Transfers (out)	<u>(734,516)</u>	<u>(79,815)</u>	<u>-0-</u>	<u>(814,331)</u>
<b>Total other financing     sources (uses)</b>	<u>(551,066)</u>	<u>348,900</u>	<u>202,166</u>	<u>-0-</u>
<b>Net change in fund balances</b>	<u>(535,921)</u>	<u>-0-</u>	<u>-0-</u>	<u>(535,921)</u>
Fund balances - beginning	2,166,258	208,944	-0-	2,375,202
Restatement of fund balance	<u>101,497</u>	<u>(208,944)</u>	<u>-0-</u>	<u>(107,447)</u>
Fund balances - beginning, as restated	<u>2,267,755</u>	<u>-0-</u>	<u>-0-</u>	<u>2,267,755</u>
<b>Fund balances - ending</b>	<u>\$ 1,731,834</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,731,834</u>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

Amounts reported for governmental activities in the statement of activities are different due to:

Net change in fund balances - total governmental funds	\$ (535,921)
Governmental funds report capital outlays as expenditures. However, in the statement of net assets, 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.	
Depreciation expense	(630,022)
Capital outlays	477,634
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.	216,900
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.	-0-
Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net assets in the statement of activities.	
Cost of assets disposed	(62,535)
Accumulated depreciation of assets disposed	59,716
Compensated absences are reported as liabilities in the statement of net assets, but are only reported in government funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.	
Accrued vacation payable	2,756
Accrued sick leave payable	97,208
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	<u>-0-</u>
Change in net assets of governmental activities	\$ <u><u>(374,264)</u></u>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
JUNE 30, 2007**

	<u>Agency Funds</u> <u>School Activity</u> <u>Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 238,977
Receivables	<u>-0-</u>
<b>Total Assets</b>	<b>\$ <u>238,977</u></b>
 <b>LIABILITIES</b>	
Due to other funds	\$ <u>238,977</u>
<b>Total Liabilities</b>	<b>\$ <u>238,977</u></b>

The notes to the financial statements are an integral part of this statement.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**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 accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The Braxton County Board of Education (School 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 district 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 14 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 School 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 School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable.

**B. District-wide and Fund Financial Statements**

The *district-wide financial statements* (the statement of net assets and the statement of activities) display information about the School 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 presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function.

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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 district are considered to be major funds for reporting purposes and are discretely presented in the accompanying financial statements.

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 purpose.

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 district, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the school district by a benefactor for the purpose of providing scholarships for graduates of the school district.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting**

The *district-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 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 collected within 60 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 as reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2007 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, 2007 consisted of the following:

	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>
State Investment Pool	\$ <u>3,516,011</u>	\$ <u>3,516,011</u>

**F. Food Service Receivables**

The accounts receivable for the Food Service Program has been reduced by \$3,062 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

**G. Other Receivables**

The accounts receivable for Medicaid has been reduced by \$2,709 for uncollectible accounts. the allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

**H. 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

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Capital Assets**

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the district-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 and 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:

<u>Assets</u>	<u>Years</u>
Buildings	50
Site Improvements	20 - 35
Furniture and Equipment	5 - 20
Vehicles	8 - 12

**J. 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 up to 10 and unlimited days, respectively, and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred. In lieu of a cash payment at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

**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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 liability is being reported utilizing the guidance of GASB Statement 16, however, this liability should be recorded utilizing the guidance of GASB statements 43 and 45 when these statements become effective in fiscal year 2008.

**K. Long-term Obligations**

In the district-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.

**L. Restricted Net Assets**

For the district-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.

**M. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent that portion of fund equity committed by official Board action prior to June 30 of each year for specific purposes. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2007.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. 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.

**O. 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.

**P. 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.

**Q. Recent Accounting Statements**

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions*. This statement establishes accounting and reporting for other post employment benefits (OPEB) expense/expenditures and related OPEB assets or liabilities, note disclosures, and required supplementary information in the financial statements of state and local governments. The Board intends to adopt the provisions of this statement for the year ended June 30, 2008

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**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. Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statute, 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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

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.

Revisions to the budget are authorized only with the prior written approval of the State Board of Education.

**B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances**

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2007:

<u>Fund</u>	<u>Amount</u>
General Current Expense	\$ 535,921

Funds sufficient to provide for the excess expenditures were made available from beginning fund balance and the deficiency had no impact on the financial results of the Funds.

**NOTE 3 - 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 34*: For the year ended June 30, 2007, the Board adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosure*, and GASB Statement No. 33, *Accounting and Financial Reporting for Certain Shared Nonexchange Revenues*. These statements establish standards for external financial reporting for state and local governments. GASB Statement No. 34 reports equity as “net assets” rather than “fund balance”. Net assets are classified into four categories according to the availability of assets for satisfaction of Board obligations. The Board’s net assets are classified as follows:

- **Invested in capital assets, net of related debt** – This represents the Board’s total investment in capital assets, net of accumulated depreciation and reduce by the balances of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested capital assets, net of related debt.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 3 - CHANGE IN ACCOUNTING POLICY (CONTINUED)**

- **Restricted net assets, expendable** – This includes resources in which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including amounts deposited with trustees as required by revenue bond indentures.
- **Restricted net assets, nonexpendable** – This includes endowment and similar type funds un which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. (and, if applicable:) The Board does not have any restricted nonexpendable assets at June 30, 2007.
- **Unrestricted net assets** – This represents resources derived from other than capital assets or restricted net assets. These resources are used for transactions relating to the general operation of the Board, and may be used at the discretion of the Board to meet current expenses for any lawful purpose.

As a result of the adoption of GASB Statement No. 34, and related statements and the conversion of the financial statements from the statutory basis of accounting prescribed or permitted by the West Virginia Department of Education to accounting principles generally accepted in the United States of America, beginning net assets, as reconciled from beginning fund balance, was restated. Such effects of the restatement are as follows:

Total fund balances - July 1, 2006, as previously reported	\$ 2,375,203
Restatement of beginning fund balance for:	
Plus taxes revenue received in July and August 2006	16,304
Medicaid revenue received in July and August 2006	85,192
Less reserved for Special Projects correction	<u>(208,943)</u>
Total fund balances - July 1, 2006, as restated	2,267,756
Adjustments to reconcile fund balances to net assets - July 1, 2006:	
Capital assets, net of accumulated depreciation of \$7,357,130	14,683,705
Compensated absences	(33,463)
Accrued sick leave payable	<u>(3,645,884)</u>
Total net assets, July 1, 2006	\$ <u>13,272,114</u>

For the year ended June 30, 2007, the Board also implemented GASB Statement No. 40 Deposit and Investment Risk Disclosures, which updated the credit risk and disclosure requirements of GASB Statement No. 3, and established more comprehensive disclosure requirements, addressing interest rate risk and concentration of credit risk of the deposits and investments of state and local governments. The implementation of this statement resulted in additional disclosures relating to cash and investments.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 5 - PROPERTY TAXES (CONTINUED)**

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.

**NOTE 6 - EXCESS LEVY**

The Board did not have an excess levy in effect during the fiscal year ended June 30, 2007.

**NOTE 7 - CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2007, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, non-depreciable:				
Land	\$ 229,171	\$ -0-	\$ -0-	\$ 229,171
Construction in process	<u>3,814,499</u>	<u>219,737</u>	<u>(4,034,236)</u>	<u>-0-</u>
Total non-depreciable capital assets	<u>4,043,670</u>	<u>219,737</u>	<u>(4,034,236)</u>	<u>229,171</u>
Capital assets, depreciable:				
Buildings and improvements	15,462,275	4,034,236	-0-	19,496,511
Furniture and equipment	356,964	46,571	(6,650)	396,885
Vehicles	<u>2,177,927</u>	<u>211,326</u>	<u>(55,885)</u>	<u>2,333,368</u>
Total depreciable capital assets	<u>17,997,166</u>	<u>4,292,133</u>	<u>(62,535)</u>	<u>22,226,764</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,750,239)	(468,303)	-0-	(6,218,542)
Furniture and equipment	(273,124)	(13,068)	6,650	(279,542)
Vehicles	<u>(1,333,768)</u>	<u>(148,651)</u>	<u>53,066</u>	<u>(1,429,353)</u>
Total accumulated depreciation	<u>(7,357,131)</u>	<u>(630,022)</u>	<u>59,716</u>	<u>(7,927,437)</u>
Total depreciable capital asset, net	<u>10,640,035</u>	<u>3,662,111</u>	<u>(2,819)</u>	<u>14,299,327</u>
Total capital assets, net	\$ <u>14,683,705</u>	\$ <u>3,881,848</u>	\$ <u>(4,037,055)</u>	\$ <u>14,528,498</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Instruction	\$ 474,005
Supporting Services:	
Central administration	8,207
Operation and maintenance of facilities	12,035
Transportation	127,853
Food services	<u>7,922</u>
Total depreciation expense governmental activities	\$ <u>630,022</u>

**NOTE 8 - LONG-TERM DEBT**

The Board did not have any indebtedness in effect during the fiscal year ended June 30, 2007.

**NOTE 9 - LEASES**

The Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as capital leases, are for various terms. While these agreements contain clauses indicating that their continuation is subject to continuing appropriation by the Legislature, these leases are accounted for as capital leases and are considered noncancelable for financial reporting purposes. Other leases, principally for equipment, are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Operating lease expenditures for the year ended June 30, 2007 were \$4,338.

**NOTE 10 - 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, 2007, the Board's total payroll for all employees was \$12,663,466 and the payroll was \$12,256,362 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 a revenue or an 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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEM (CONTINUED)**

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 2006 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was \$ 4.7 billion as of July 1, 2006.

**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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEM (CONTINUED)**

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, 2007 and the two previous years were:

<u>Year ended June 30</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Required contributions	\$ 334,533,000	\$ 339,815,000	\$ 327,068,000
As a % of current year covered payroll	23.66 %	23.83 %	23.50 %

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2007 were:

Employees' contributions (6%)	\$ 299,975
Employer's contributions (15% or 7.5%)	<u>693,332</u>
Total contributions	\$ <u>993,307</u>

**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. A merger whereby the Defined Contribution Plan would cease to exist and all assets and members be transferred into the Defined Benefit Plan was slated to occur on July 1, 2006. However, that merger was ruled unconstitutional and is now being appealed by the CPRB.

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: Vanguard Money Market Fund, Bond Fund of America, Franklin Income Fund, Fidelity Growth Opportunities, Washington Mutual Investors, Federated Max-Cap, and Valic Individually Allocated Fixed Annuity.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 10 - EMPLOYEE RETIREMENT SYSTEM (CONTINUED)**

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, 2006, this plan had approximately \$748.3 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 Milliman & Robertson, 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 FY2007 were:

Employees' contributions (4.5%)	\$ 326,559
Employer's contributions (7.5%)	<u>544,261</u>
Total contributions	\$ <u>870,820</u>

**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.

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 12 - RESTATEMENT OF BEGINNING FUND BALANCE**

The fund balance at the beginning of the year of the following fund(s) required restatements:

	<u>General Current Expense Fund</u>	<u>Special Revenue Fund</u>
Fund balance at June 30, 2006, as previously stated	\$ 2,166,258	\$ 208,944
Total adjustments (See Below)	<u>101,497</u>	<u>(208,944)</u>
Fund balance at June 30, 2006 restated	\$ <u>2,267,755</u>	\$ <u>-0-</u>

The adjustments consisted of the following:

<u>General Current Expense Fund</u>		
Taxes revenue received in July and August 2006	\$	16,304
Revenue received in July and August 2006		85,192
 <u>Special Revenue Fund</u>		
Reserved for Special Projects to deferred revenue		(208,943)

**NOTE 13 - UNRESERVED FUND BALANCE -DESIGNATED**

The Board has designated a portion of the unreserved balance of the General Current Expense Fund at June 30, 2007 to be expended for the following purposes:

Flatwoods Roof Project	\$	15,895
E-Rate - Technology Needs		15,038
Medicaid Reallocation - Building Maintenance		67,697
Medicaid Reallocation - Building Maintenance		137,106
Dana Brown - Burnsville Technology, Renovations and/or Tutoring		77,269
Supplement Salary Expenditure Line (Over Formula and Extra Days)		1,204,462
BCMS Band Allocation		10,000
BCHS Band Allocation		10,000
Burnsville Playground Allocation		3,002
Burnsville Support Achievement Goals		5,000
Davis Support Achievement Goals		5,000
Flatwoods Support Achievement Goals		5,000
Frametown Support Achievement Goals		5,000
Little Birch Playground Allocation		10,000
Little Birch Support Achievement Goals		5,000
Sutton Support Achievement Goals		5,000
BCMS Support Achievement Goals		5,000
BCHS Support Achievement Goals		5,000
BCHS Furniture and Equipment Allocation		6,673
Unrestricted - Liability Insurance Increase		17,560
Unrestricted - Property Insurance Increase		<u>1,268</u>
Total Unreserved Fund Balance - Designated	\$	<u>1,615,970</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 14 - COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS**

The Board did not have any known commitments, contingencies and/or subsequent events for the fiscal year ended June 30, 2007.

**NOTE 15 - INTERFUND BALANCES AND TRANSFERS**

The composition of Interfund balances as of June 30, 2007 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Due to/from other funds:</u>		
General Current Expense	Special Revenue Fund	\$ 38,919
<u>Interfund Transfers</u>		
General Current Expense to Capital Projects (BCHS/Fairmont Addition Project) County Contribution to Addition Project		\$ 202,166
General Current Expense to Special Revenue (Child Nutrition Project) County Contribution to Food Service Program		\$ 348,900

**NOTE 16 - 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 2,378,830	\$ 2,378,830	\$ 2,777,872	\$ 399,042
Other Local sources	134,400	235,289	415,747	180,458
State sources	12,664,031	12,680,931	12,677,668	(3,263)
Federal sources	<u>188,701</u>	<u>248,701</u>	<u>322,395</u>	<u>73,694</u>
<b>Total revenues</b>	<u>15,365,962</u>	<u>15,543,751</u>	<u>16,193,682</u>	<u>649,931</u>
<b>Expenditures:</b>				
Instruction	9,475,513	9,487,476	9,449,116	38,360
Supporting services:				
Students	798,719	780,465	648,747	131,718
Instructional staff	262,128	343,939	332,198	11,741
Central administration	479,228	485,101	473,435	11,666
School administration	1,288,685	1,296,238	1,293,993	2,245
Business	255,607	284,336	281,610	2,726
Operation and maintenance of facilities	1,462,145	1,799,319	1,724,807	74,512
Student transportation	1,760,254	1,794,846	1,758,637	36,209
Community services	38,390	38,390	37,003	1,387
Capital outlay	<u>-0-</u>	<u>531,200</u>	<u>178,991</u>	<u>352,209</u>
<b>Total expenditures</b>	<u>15,820,669</u>	<u>16,841,310</u>	<u>16,178,537</u>	<u>662,773</u>
Excess (deficiency) of revenues over expenditures	<u>(454,707)</u>	<u>(1,297,559)</u>	<u>15,145</u>	<u>1,312,704</u>
<b>Other financing sources (uses):</b>				
Transfers in	-0-	183,450	183,450	-0-
Transfers (out)	(348,899)	(734,516)	(734,516)	-0-
Reserves	<u>-0-</u>	<u>(317,636)</u>	<u>-0-</u>	<u>317,636</u>
<b>Total other financing sources (uses)</b>	<u>(348,899)</u>	<u>(868,702)</u>	<u>(551,066)</u>	<u>317,636</u>
<b>Change in fund balances</b>	(803,606)	(2,166,261)	(535,921)	1,630,340
<b>Fund balances - beginning</b>	<u>(803,606)</u>	<u>2,166,261</u>	<u>2,267,755</u>	<u>101,494</u>
<b>Fund balances - ending</b>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>1,731,834</u></u>	\$ <u><u>1,731,834</u></u>

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUND  
JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Local sources	\$ 163,042	\$ 191,294	\$ 188,624	\$ (2,670)
State sources	666,255	746,184	927,476	181,292
Federal sources	<u>3,373,165</u>	<u>4,847,204</u>	<u>3,439,529</u>	<u>(1,407,675)</u>
<b>Total revenues</b>	<u>4,202,462</u>	<u>5,784,682</u>	<u>4,555,629</u>	<u>(1,229,053)</u>
<b>Expenditures:</b>				
Instruction	34,254	3,540,418	2,688,355	852,063
Supporting services:				
Students	-0-	195,343	179,977	15,366
Instructional staff	32,813	465,157	346,224	118,933
Central administration	10,335	124,576	116,123	8,453
Business	-0-	33,546	27,121	6,425
Operation and maintenance of facilities	-0-	36,208	35,947	261
Student transportation	168,728	219,883	215,512	4,371
Food services	1,142,999	1,241,905	1,239,723	2,182
Community services	-0-	810	47	763
Capital outlay	<u>-0-</u>	<u>55,500</u>	<u>55,500</u>	<u>-0-</u>
<b>Total expenditures</b>	<u>1,389,129</u>	<u>5,913,346</u>	<u>4,904,529</u>	<u>1,008,817</u>
Excess (deficiency) of revenues over expenditures	<u>2,813,333</u>	<u>(128,664)</u>	<u>(348,899)</u>	<u>(220,236)</u>
<b>Other financing sources (uses):</b>				
Transfers in	348,899	429,465	428,715	(750)
Transfers (out)	-0-	(79,816)	(79,815)	1
Reserves	<u>(3,162,232)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total other financing sources (uses)</b>	<u>(2,813,333)</u>	<u>349,649</u>	<u>348,900</u>	<u>(749)</u>
<b>Change in fund balances</b>	-0-	220,985	-0-	(220,985)
<b>Fund balances - beginning</b>	<u>-0-</u>	<u>(220,985)</u>	<u>-0-</u>	<u>220,985</u>
<b>Fund balances - ending</b>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

**BRAXTON COUNTY, WEST VIRGINIA, BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intermediate sources	\$ -0-	\$ 86,687	\$ 86,687	\$ -0-
State sources	<u>-0-</u>	<u>271,143</u>	<u>106,279</u>	<u>(164,864)</u>
<b>Total revenues</b>	<u>-0-</u>	<u>357,830</u>	<u>192,966</u>	<u>(164,864)</u>
<b>Expenditures:</b>				
Capital outlay	<u>-0-</u>	<u>395,132</u>	<u>395,132</u>	<u>-0-</u>
<b>Total expenditures</b>	<u>-0-</u>	<u>395,132</u>	<u>395,132</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>(37,302)</u>	<u>(202,166)</u>	<u>(164,864)</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>-0-</u>	<u>202,166</u>	<u>202,166</u>	<u>-0-</u>
<b>Total other financing         sources (uses)</b>	<u>-0-</u>	<u>202,166</u>	<u>202,166</u>	<u>-0-</u>
<b>Change in fund balances</b>	-0-	164,864	-0-	(164,864)
<b>Fund balances - beginning</b>	<u>-0-</u>	<u>(164,864)</u>	<u>-0-</u>	<u>164,864</u>
<b>Fund balances - ending</b>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

**OTHER SUPPLEMENTARY INFORMATION**

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**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
<b>HIGH SCHOOLS:</b>				
Braxton Co. High - General	\$ 118,942	\$ 188,798	\$ 187,581	\$ 120,159
Braxton Co. High - Child Nutrition	<u>-0-</u>	<u>34,401</u>	<u>34,401</u>	<u>-0-</u>
Total High Schools	<u>118,942</u>	<u>223,199</u>	<u>221,982</u>	<u>120,159</u>
<b>MIDDLE AND JUNIOR HIGH SCHOOLS:</b>				
Braxton Co. Middle - General	90,542	175,032	180,200	85,374
Braxton Co. Middle - Child Nutrition	<u>-0-</u>	<u>46,318</u>	<u>46,318</u>	<u>-0-</u>
Total Middle and Junior High Schools	<u>90,542</u>	<u>221,350</u>	<u>226,518</u>	<u>85,374</u>
<b>ELEMENTARY SCHOOLS:</b>				
Burnsville - General	7,060	15,715	13,373	9,402
Burnsville - Child Nutrition	-0-	14,862	14,862	-0-
Davis - General	4,013	17,341	15,964	5,390
Davis - Child Nutrition	-0-	20,276	20,276	-0-
Flatwoods - General	5,158	14,611	15,193	4,576
Flatwoods - Child Nutrition	-0-	21,358	21,358	-0-
Frametown - General	316	11,876	11,457	735
Frametown - Child Nutrition	-0-	18,418	18,418	-0-
Little Birch - General	4,303	14,569	13,622	5,250
Little Birch - Child Nutrition	-0-	6,776	6,776	-0-
Sutton - General	6,176	14,693	12,778	8,091
Sutton - Child Nutrition	<u>-0-</u>	<u>17,640</u>	<u>17,640</u>	<u>-0-</u>
Total Elementary Schools	<u>27,026</u>	<u>188,135</u>	<u>181,717</u>	<u>33,444</u>
Total	\$ <u>236,510</u>	\$ <u>632,684</u>	\$ <u>630,217</u>	\$ <u>238,977</u>

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>State Project Code</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Expenditures</u>
<b>U.S. Department of Health and Human Services</b>				
Head Start	93.600	32611	N/A	\$ 133,157
Head Start	93.600	32711	N/A	<u>589,480</u>
<b>Total Department of Health and Human Services</b>				<u>722,637</u>
 <b>U.S. Department of Agriculture</b>				
USDA Distance Learning Pass through State	10.855	34611	N/A	6,860
Department of Education:				
Child Nutrition Cluster				
Food Service Program - Centralized	10.553	88711	N/A	1,213,338
Summer Food Service Program	10.559	88621	N/A	12,870
Summer Food Service Program	10.559	88721	N/A	738
Local Wellness Policy	10.555	49711	C266860	500
Donated Foods	10.550	88771	N/A	<u>55,880</u>
<b>Total Department of Agriculture</b>				<u>1,290,186</u>
 <b>U.S. Department of Education</b>				
Pass-through State				
Department of Education				
Title II	84.367A	40711	C265453	160,607
Title II	84.367A	40611	C245752	95,327
Title I	84.010	41711	C260086	776,121
Title I - Handbooks	84.010	41612	C262068	399
Title I	84.010	41611	C238777	131,377
Title V	84.298A	42711	C265463	50,017
Title V	84.298A	42611	C245836	34,023
Special Education Cluster (IDEA)				
Idea Part B - Preschool	84.173	43721	C257465	51,613
Idea Part B	84.027A	43711	C257316	548,838
Idea Part B	84.027A	43611	C235719	20,052
Idea Part B - Discretionary	84.027A	43631	C252269	506
Idea Part B - Discretionary	84.027A	43632	C260533	6,031
Idea Part B - Discretionary	84.027A	43633	C270709	1,475

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>State Project Code</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Expenditures</u>
<b>U.S. Department of Education (Continued)</b>				
Pass-through State				
Department of Education (Continued)				
Vocational Education	84.048A	50711	C254796	\$ 50,838
Enhancing Education with Technology	84.318	58611	C240276	18,498
Title VI - Rural and Low Income	84.358B	59711	C265458	57,349
Title VI - Rural and Low Income	84.358B	59611	C245963	16,793
Pass-through Fairmont State University				
Gear Up	84.334A	74721	N/A	30,223
Gear Up	84.334A	74621	N/A	<u>1,907</u>
<b>Total Department of Education</b>				<b><u>2,051,994</u></b>
<b>Total Federal Awards</b>				<b>\$ <u>4,064,817</u></b>

**BRAXTON COUNTY BOARD OF EDUCATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the grant activity of the Braxton County Board of Education and is presented on the cash basis of accounting. 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 the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. Food Distribution**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The Board received and disbursed \$55,880 in food commodities in the Donated Foods Program for the year ended June 30, 2007.

**REPORTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS**

**SULLIVAN WEBB, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
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BRUCE I. SULLIVAN, CPA  
CHARLES D. WEBB, MBA, CPA

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
WV SOCIETY OF CERTIFIED PUBLIC  
ACCOUNTANTS

**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  
Braxton County Board of Education  
Sutton, West Virginia

We have audited the financial statements of Braxton County Board of Education, as of and for the year ended June 30, 2007, and have issued our report thereon dated February 28, 2008. 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**

In planning and performing our audit, we considered Braxton County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Braxton County Board of Education'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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Braxton County Board of Education Members, management, others within the Organization, federal awarding agencies and pass-through entities and the State of West Virginia and is not intended to be and should not be used by anyone other than these specified parties.



February 28, 2008

# SULLIVAN WEBB, PLLC

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ACCOUNTANTS

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Members of  
Braxton County Board of Education  
Sutton, West Virginia

### Compliance

We have audited the compliance of Braxton County Board of Education, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Braxton County Board of Education'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 requirement of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Braxton County Board of Education's management. Our responsibility is to express an opinion on Braxton County Board of Education'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 Braxton County Board of Education'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 on Braxton County Board of Education's compliance with those requirements.

In our opinion, Braxton County Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

**Internal Control Over Compliance**

The management of Braxton County Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Braxton County Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Braxton County Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

This report is intended for the information of Braxton County Board of Education, management, and 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.



February 28, 2008

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**BRAXTON COUNTY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no findings for the year ended June 30, 2006.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF AUDIT RESULTS**

- 1) The auditor's report expresses an unqualified opinion on the financial statements of Braxton County Board of Education for the year ended June 30, 2007.
- 2) No significant deficiencies were noted during the audit of the financial statements of Braxton County Board of Education.
- 3) No instances of noncompliance material to the financial statements of Braxton County Board of Education were disclosed during the audit.
- 4) No matters involving the internal control over major programs of Braxton County Board of Education were disclosed that we consider to be significant deficiencies.
- 5) The auditor's report on compliance for major programs of Braxton County Board of Education expresses an unqualified opinion on all major federal programs.
- 6) No audit findings which were required to be reported under Section .510(a) of OMB Circular A-133 were noted.
- 7) The programs tested as major programs included:

<u>Program</u>	<u>CFDA #</u>
<b>Major Federal Programs</b>	
U.S. Department of Education	
Pass-through West Virginia	
Department of Education:	
Special Education Cluster (IDEA):	
Idea Part B	84.027A
Idea Part B - Preschool	84.173
Title II	84.367A
 U.S. Department of Agriculture	
Pass-through West Virginia	
Department of Education:	
Child Nutrition Cluster	10.553/10.555/10.559

- 8) The dollar threshold used to distinguish Type A Programs from Type B Programs of federal awards expended by Braxton County Board of Education for the year ended June 30, 2007 was \$300,000.
- 9) Braxton County Board of Education has qualified as a low-risk auditee under Section .530 of OMB Circular A-133 for the year ended June 30, 2007.
- 10) There were no audit findings for prior audit year ended June 30, 2006.

**BRAXTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

■ Noncompliance Finding

None

■ Reportable Conditions

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

■ Noncompliance Finding

None

■ Reportable Conditions

None

**APPENDIX B**

**Economic and Demographic Data**

**COUNTY OF BRAXTON (WEST VIRGINIA)**

Introduction

Location: Braxton County is located in the central part of the State of West Virginia. It is approximately 67 miles from the City of Charleston, West Virginia.

County Seat: The City of Sutton

Commissioners: Mike Chapman, President  
Teresa Frame  
David Jack, Sr.

Population

Year	Braxton County	West Virginia	United States
1990	13,021	1,792,548	249,622,814
2000	14,720	1,807,050	282,194,308
2006	14,606	1,808,699	298,754,819

Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

Economy

**Per Capita Personal Income**

County	1990	2000	2006	Rank in State
United States	\$19,477	\$29,845	\$36,714	---
West Virginia	\$14,493	\$21,904	\$28,206	---
Braxton County	\$11,357	\$15,580	\$20,293	51

Source: Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

**Average Employment and Annual Wage**

	Average Employment		Average Annual Wage	
	2000	2007	2000	2007
Braxton County	3,813	4,216	\$20,843	\$27,127
West Virginia	686,664	708,313	\$26,890	\$34,001

Source: West Virginia Bureau of Economic Analysis

### Average Annual Employment by Industry

Industry	2001	2007
Natural Resources & Mining	27	123
Construction	234	304
Manufacturing	438	389
Trade, Transportation & Utilities	833	834
Information	28	29
Financial Activities	93	119
Professional & Business Services	177	181
Education & Health Services	571	739
Leisure and Hospitality	487	450
Other Services	82	76
Government	<u>839</u>	<u>967</u>
<b>TOTAL</b>	<b>3,809</b>	<b>4,216</b>

Source: West Virginia Bureau of Economic Analysis

### Braxton County Ten Largest Employers (2007)

Employer	Product/Service
Braxton County Board of Education	Education
Weyerhaeuser Company	Services
Braxton County Memorial Hospital	Health
Go-Mart, Inc.	Services
Braxton County Senior Citizen Center, Inc.	Services
Central WV Aging Service, Inc.	Non-Profit
Mountain Cap of West Virginia	Non-Profit
Bi-Con Services, Inc.	Pipeline Laying
ANR Coal – West Virginia, LLC	Mining
John Skidmore Development, Inc. (Sutton Inn, Flatwoods Discount)	Services

Source: West Virginia Bureau of Economic Analysis

### Average Annual Unemployment Rates (%)

Year	Braxton County	West Virginia
2002	7.6	5.9
2003	7.4	6.0
2004	5.9	5.3
2005	5.8	5.0
2006	5.3	4.7
2007	5.4	4.6

Source: West Virginia Bureau of Economic Analysis

**Wages Per Industry (2007) (\$)**

<b>Industry</b>	<b>Total Wages</b>	<b>Average Weekly Wage</b>
Natural Resources & Mining	6,002,080	938.40
Construction	11,413,668	722.02
Manufacturing	16,413,997	811.44
Trade, Transportation & Utilities	21,382,438	493.04
Information	949,580	629.69
Financial Activities	3,294,718	532.44
Professional & Business Services	6,340,861	673.69
Education & Health Services	15,125,019	393.60
Leisure and Hospitality	5,197,931	222.13
Other Services	2,093,399	529.71
Government	26,125,665	519.56
<b>TOTAL</b>	<b>114,369,602</b>	<b>521.69</b>

Source: West Virginia Bureau of Economic Analysis

**Total Wages (2007) (\$)**

<b>Year</b>	<b>Braxton County</b>	<b>West Virginia</b>
2002	89,172,010	19,549,827,426
2003	93,882,773	19,849,663,121
2004	100,402,338	20,868,401,449
2005	104,868,868	21,793,516,080
2006	109,478,447	23,079,570,075
2007	114,369,602	24,083,126,318

Source: West Virginia Bureau of Economic Analysis

Community Data

<b>Education Facilities</b>	
Elementary	6
Middle or Jr. High	1
High Schools	1
Vocational Schools	0
Colleges:	
Glenville State College, Glenville, Gilmer County	
Glenville State Community & Technical College (Satellite), Braxton County	
Fairmont State University's Pierpoint Community & Technical College (Satellite), Braxton County	

<b>Recreational Facilities</b>	
State Forests	0
State Parks	0
Wildlife Management Areas	2
Public Hiking Trails	7.4
Public Fishing & Boating Lakes	3
Recreational Rivers (boating/rafting)	1
Museums/Art Galleries	0
Golf Courses – Private/Public	0/0
National Forests	0
National Park & Recreational Areas	0
Amphitheaters/Performing Arts Centers	1
Pro/Semi-pro Sports Teams	0
Regional Shopping Centers/Malls/ outlets within 25 miles	1
Major Private Recreation/Resort Areas	0

<b>Medical</b>	
Hospitals	1
Beds	25
Doctors	11
Dentists	4
Licensed Nursing Homes	1
Beds	65

<b>Transportation</b>	
Highways:	
Interstates	1-79
WV Routes	4, 5, 15
US Routes	19
Parcel service carriers	
River, nearest navigable	Kanawha
Industrial Parks	0
Industrial Sites	0
Airports:	Braxton Co., Sutton, WV Harrison-Marion Regional, Bridgeport, WV Pittsburgh Intl., Pittsburgh, Pa.
Railroads:	
Motor Freight Carriers	1
Bus Service	2

<b>Media</b>	
Newspapers:	2
Telephone:	2
TV Station	0
Radio Stations	2

<b>Utilities</b>	
Electricity:	1 – private
Natural Gas:	4

<b>Other Data</b>	
Licensed Day Care Centers	1
Banks (including branches)	6
Libraries	3

Source: West Virginia Bureau of Economic Analysis



# Bowles Rice

McDAVID GRAFF & LOVE LLP

ATTORNEYS AT LAW

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Charleston, West Virginia 25301

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Charleston, West Virginia 25325-1386  
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September \_\_\_\_, 2008

## APPENDIX C

480 West Jubal Early Drive  
Suite 130  
Winchester, Virginia 22601  
(540) 723-8877

5th Floor, United Square  
501 Avery Street  
Parkersburg, West Virginia 26101  
(304) 485-8500

101 South Queen Street  
Martinsburg, West Virginia 25401  
(304) 263-0836

7000 Hampton Center, Suite K  
Morgantown, West Virginia 26505  
(304) 285-2500

333 West Vine Street, Suite 1700  
Lexington, Kentucky 40507-1639  
(859) 252-2202

The Board of Education of the County of Braxton  
411 North Hill Road  
Sutton, West Virginia 26601

Re: \$16,100,000 The Board of Education of Braxton County  
[West Virginia] Public School Bonds, Series 2008

Dear Ladies and Gentlemen:

We have examined a record of the proceedings relative to the issuance and sale of \$16,100,000 Public School Bonds, Series 2008 (the "Bonds"), of Braxton County School District, by and through The Board of Education of the County of Braxton (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated September 30, 2008, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of \$5,000 or integral multiples thereof, mature on May 1 in the years and amounts and bear interest payable each May 1 and November 1, commencing May 1, 2009, as follows:

Year	Principal Amount	Interest Rate
2010	\$485,000	
2011	510,000	
2012	535,000	
2013	565,000	
2014	590,000	
2015	620,000	
2016	655,000	
2017	685,000	
2018	720,000	
2019	755,000	
2020	795,000	
2021	835,000	
2022	875,000	

The Board of Education of the County of Braxton  
September \_\_\_\_, 2008  
Page 2

<i>(cont.)</i> Year	Principal Amount	Interest Rate
2023	920,000	
2024	965,000	
2025	1,010,000	
2026	1,065,000	
2027	1,115,000	
2028	1,170,000	
2029	1,230,000	

The Bonds were authorized at the primary election held in the Braxton County School District on May 13, 2008, and by a Resolution and Order adopted by the Issuer on February 19, 2008, as supplemented (such Resolution and Order, as supplemented, herein called the "Resolution"), and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction, renovation, repair and equipping of certain public school buildings, together with the sites thereof and all necessary appurtenances, in the Braxton County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution, a Tax and Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based upon the foregoing, and assuming compliance with the representations, covenants and certifications of the Issuer contained in the Resolution, the Tax Certificate and the certified proceedings and the certifications made in connection with the issuance of the Bonds, we are of the opinion that, under existing law:

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the

The Board of Education of the County of Braxton  
September \_\_\_\_, 2008  
Page 3

Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has power and is obligated to levy ad valorem taxes upon all the taxable property within the Braxton County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the bonds is not includable in 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 upon individuals and corporations; it should be noted, however, that interest on the Bonds held by a corporation May be indirectly subject to alternative minimum tax because of its inclusion in the reported income or earnings and profits of such corporate holder. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representatives, covenants and certifications set forth in the Resolution and the Tax Certificate of the Issuer. Failure to comply with such representations, covenants and certifications could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. Under the Act, as presently written and applied, the Bonds are exempt from direct taxation by the State of West Virginia or any political subdivision thereof and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

In expressing this opinion, we have considered the litigation instituted in certain states including the State of West Virginia, such as *Pauley v. Bailey*, 324 S.E.2d 128 (W.Va. 1984) challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and, in our opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Braxton County, West Virginia, for the payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in this opinion.

Please be advised that the enforcement of remedies with respect to the Bonds is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that enforcement May also be subject to the exercise of judicial discretion in appropriate cases.

The Board of Education of the County of Braxton  
September \_\_\_\_, 2008  
Page 4

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 authorized.

Very truly yours,

## PROPOSED PROJECTS

	PROJECT	LOCATION	ESTIMATED COST
1	<p><b>Frametown Elementary</b> Construct two classrooms, a mechanical room, kitchen addition and two student restrooms</p> <p>Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting – interior/exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.</p>	Existing Frametown Elementary School, Frametown, WV	Bond Funds \$2,590,775
2	<p><b>Little Birch Elementary</b> Construct two classrooms, two student restrooms and mechanical room.</p> <p>Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.</p>	Existing Little Birch Elementary School, Little Birch, WV	Bond Funds \$2,863,781
3	<p><b>Burnsville Elementary</b> Construct elevator and elevator connector</p> <p>Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment.</p>	Existing Burnsville Elementary School	Bond Funds \$3,114,833
4	<p><b>Braxton County Middle School</b> Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers.</p>	Existing Braxton County Middle School	Bond Funds \$1,346,810
5	<p><b>Braxton County High School</b> Renovations to include: new VCT flooring, base, painting – interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment.</p>	Existing Braxton County High School	Bond Funds \$3,368,122

**6 Davis Elementary**

Construction of two classrooms, two student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical room and stairs.

Existing Davis  
Elementary School

Bond Funds  
\$1,602,979  
Grant Funds  
\$3,263,783

Renovations to include: restrooms, new lighting, flooring and structural repairs, painting – interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, plumbing upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment

**7 Flatwoods Elementary School**

Construction of five classrooms, physical education classroom, gym storage, two student restrooms, mechanical room and kitchen addition.

Existing  
Flatwoods  
Elementary School

Bond Funds  
\$725,369  
Grant Funds  
\$2,865,702

Renovations to include: restrooms, new lighting and ceiling tiles, painting – interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.

**8 Sutton Elementary School**

Construction of two classrooms, student restrooms and mechanical room.

Existing  
Sutton  
Elementary School

Bond Funds  
\$438,655  
Grant Funds  
\$1,670,515

Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting – interior/exterior, fire suppression system, window asbestos abatement, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, nr furnishing and equipment, exterior ramp removal and sidewalk renovations and repairs.

**TOTAL PROPOSED BOND CALL**

Project Costs:	\$23,851,324
Plus Costs of Issuance:	\$48,676
Less Third Party Funds:	<u>\$7,800,000</u>
Total:	\$16,100,000

**ELECTED OFFICIALS OF THE BOARD**

**Ernie Moore – President**

Mr. Moore, a native of Parkersburg, is a graduate of Parkersburg High School. He received his BA degree in education from Glenville State College, attending West Virginia University for his Masters of Science. Mr. Moore coached and taught in four school systems before coming to Braxton County in 1977. He served as head football coach, taught in the classroom, and was an assistant principal before retiring in 1997.

Mr. Moore was elected to serve on the Braxton County Board of Education in 2004, and was re-elected in 2008, where he currently serves as the board's president. He also is currently a member of the Board of Directors of the WVSSAC as representative for the Boards of Education of all West Virginia counties.

**John Campbell - Member**

Mr. Campbell resides in Sutton, West Virginia. He is a retired Court reporter. Mr. Campbell previously served on Braxton County Board of Education from 1976 to 1982. He is a former member of the West Virginia House of Delegates from 1990 to 1994 and current member of the Sutton Lions Club and Braxton County Rotary Club. He is also a member and Elder of the Davis Memorial Presbyterian Church.

**Roger W. Hall – Member**

Mr. Hall resided in Duck, West Virginia. He graduated from Gassaway High School and spent twenty (20) years working in Akron, Ohio. Mr. Hall returned to Braxton County in 1988 and has owned and operated Hall's Kitchens and Baths since then. He is Chairman of the Sugar Creek PSD Board.

**Elizabeth Stewart – Member**

Elizabeth Stewart resides in Sutton, West Virginia, and was born in Braxton County, where she has spent most of her life living and working. She graduated from Burnsville High School in 1961 and attended Glenville State College where she graduated in 1964. She taught in Pocahontas County until 1969 and in Braxton County at Braxton County High School until retirement in 1998. She has served as a member of the Braxton County Board of Education since 2004.

**Kathy Parker – Member**

Kathy Parker resides in Heaters, West Virginia. She holds a Bachelor's Degree in Accounting and worked in the stock brokerage industry for almost 5 years before starting her own accounting business, which she maintained for over 22 years. She has been involved in the local schools, including as a volunteer, PTA member and officer, Local School Improvement Council (LSIC), Braxton County School-to-Work Partnership, and BCHS Vocational Advisory Committee. Her company is a Partner-in-Education with Burnsville Elementary School.

## **APPOINTED OFFICIALS OF THE BOARD**

### **Carolyn D. Long, Superintendent**

Carolyn D. Long is a 1970 graduate of Fairmont State College with a degree BA Degree in Elementary Education. Ms. Long has a Masters in Education Administration from West Virginia College of Graduate Studies. Ms. Long taught school in Kanawha County from 1971 to 1975 at Big Chimney Elementary. She continued her teacher career at Little Birch Elementary during the years of 1976 through 1981. Ms. Long served as Principal at Little Birch Elementary from 1986 through 1995. The Braxton County Board of Education appointed Ms. Long Superintendent on July 1, 2001. Ms. Long is an active member of WVASA, and is Chair of the West Virginia University Board of Governors.

### **Charles Michael McCoy, Assistant Superintendent**

Charles Michael McCoy is a 1970 graduate of Glenville State College. Mr. McCoy received his Masters Degree in Educational Administration from West Virginia University in 1975. Mr. McCoy served as Principal at Burnsville Elementary from 1972 - 2004. In 2004 Mr. McCoy was appointed Assistant Superintendent of Braxton County Schools. Mr. McCoy is member of the Pierpont Community and Technical College Board of Advisors.

### **Ginger L. Altizer, Treasurer**

Ginger L. Altizer was appointed Treasurer/Director of Finance in September of 2000. She graduated from Marshall University in 1993 where she earned her Bachelors of Business Administration. Her prior career includes being an accounting manager for a major WV ski resort and accounting/management responsibilities with various employers in the food service industry. She is the current President for the West Virginia Association of School Business Officials and the Finance Board Chairperson for Summersville Baptist Church. She lives in Summersville, WV with her husband and two children.

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON (the "Issuer"), and United Bank, Inc. Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of \$16,100,000, The Board of Education of the County of Braxton (West Virginia), Public School Bonds, Series 2008 (the "Bonds");

In connection with the foregoing, and in consideration thereof, the Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

Any filing under this Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "Central Post Office" or "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to MAC dated September 7, 2004, or to such other entity approved by the Board and the Dissemination Agent.

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

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which 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) and as the term may be modified by an interpretation of the Rule by the Securities and Exchange Commission (the "SEC").

"Disclosure Representative" shall mean the President of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time.

"Holders" shall mean (i) the registered owner of any Bond or (ii) the Beneficial Owner of any Bond.

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

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, (including the "voluntary central repository", etc.)

"Repository" shall mean each National Repository and the State 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.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"Underwriter" shall mean any of the underwriters in connection with the sale of the Bonds required to comply with the Rule in connection with the sale of the Bonds

### SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 300 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2007-2008 Fiscal Year, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report 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 Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted, when and if available, separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give written notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent has not received a copy of the Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Report. The Issuer's Annual Report shall consist of the audited financial statements of the Issuer for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

### SECTION 5. Reporting of Listed Events.

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

1. principal and interest payment delinquencies;
2. non-payment related defaults;
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 or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property security repayment of the securities; and
11. rating changes.

(b) The Dissemination 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 Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each Repository with a copy to the Issuer. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Issuer is not an obligated person with respect to the Bonds, as provided in the Rule. If the Issuer's obligations under the this Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Issuer and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

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

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure 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 an obligated person 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 Ordinance for amendments to the Ordinance with the consent of Holders, 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 Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, 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 by the Issuer. 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 a Listed Event under Section 5(f), and (ii) the Annual Report 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 Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution or Ordinance, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Paying Agent or the Paying Agent in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expense (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer: The Board of Education of the County of Braxton  
411 North Hill Road  
Sutton, West Virginia 26601

To the Dissemination Agent: United Bank, Inc.  
500 Virginia Street East  
Charleston, WV 25301

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 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter, the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. No previous Non-Compliance. The issuer represents that since July 3, 1995, they have not failed to comply in any material respect with any previous undertaking in a written contract or a agreement, as entered into by the Issuer specified in paragraph (b)(5)(i) of the Rule.

SECTION 15. Counterparts. This Disclosure 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 16. Fees. The Issuer agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 17. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the Issuer.

SECTION 18. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under this Disclosure Agreement and to rely upon an opinion of counsel.

Dated: \_\_\_\_\_, 2008.

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON (West Virginia)

By: \_\_\_\_\_

Title President

A West Virginia State Banking corporation,

By: \_\_\_\_\_

Title:

**EXHIBIT A**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligated Party: The Board of Education of the County of Braxton (West Virginia)

Name of Bond Issue: \$\_\_\_\_\_ Public School Bonds, Series 2008

Date of Bond Issue: \_\_\_\_\_, 2008

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(b) of this Disclosure Agreement dated \_\_\_\_\_, 2008, to be provided. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_,

\_\_\_\_\_  
on behalf of the Issuer

cc: [Issuer]

**OFFICIAL NOTICE OF SALE**

**\$16,100,000**

**The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

The Board of Education of the County of Braxton (West Virginia) (the "Board") is using PARITY® as a communication mechanism to conduct the electronic bidding for sale of its \$16,100,000 Public School Bonds, Series 2008 (the "Bonds"), as described herein.

**Bid Submission**

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 noon, local time, on September 17, 2008. Bids may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at (212) 849-5021.

The bids will be publicly announced, and the Board will act upon the bids by 2:30 p.m., Local Time.

In the event of a malfunction of the Electronic Bidding System at 12:00 p.m., Local Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 1:00 p.m., Local Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, facsimile transmission bids will be accepted at the discretion of the Board in coordination with its Financial Advisor, Raymond James & Associates, Inc (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders. Bidders choosing to submit bids in case of a malfunction by facsimile transmission shall use the following telecopier number for such transmission: (304) 346-1985. Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received not later than the deadline as communicated to bidders and that the bid is sent to the telecopier number set forth above. Illegible transmissions shall be rejected. The Financial Advisor, will, on behalf of the Board, verify receipt of each bid submitted through facsimile transmission by contacting each bidder by telephone once the bid has been received. The Financial Advisor will in no instance correct, alter or in any way change bids submitted through facsimile transmission. The Board and the Financial Advisor will not be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of the Official Notice of Sale. Bidders submitting bids via facsimile transmission will bear full and complete responsibility for the transmission of such bids.

Each bid must be unconditional.

The Board expects to take the bids on the Bonds on September 17, 2008. However, the Board reserves the right to postpone the date and time established for the receipt of the bids. Any such postponement will be announced by Dalcomp, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced. Any bidder must submit a sealed bid for the purchase of the Bonds on such alternative sale date in conformity with the provisions of the Official Notice of Sale, except for any changes announced via Dalcomp or any other such service, as described therein.

## Preliminary Official Statement

Copies of the Preliminary Official Statement concerning the Bonds and the Official Form of Proposal relating to the Bonds may be secured from Ms. Carolyn D. Long, Superintendent, Braxton County Board of Education, 411 North Hill Road, Sutton, WV 26601, (telephone 304/765-7911) or from Raymond James & Associates, Inc., 530 Laidley Tower, Charleston, West Virginia 25301 (telephone 304/346-1981).

## The Bonds

The Bonds will be dated the date of their delivery (the "Dated Date") and will mature on May 1 in the years and in the amounts as follows:

Maturing (May 1)	Principal Amount (\$)	Maturing (May 1)	Principal Amount (\$)
2010	\$485,000	2020	795,000
2011	510,000	2021	835,000
2012	535,000	2022	875,000
2013	565,000	2023	920,000
2014	590,000	2024	965,000
2015	620,000	2025	1,010,000
2016	655,000	2026	1,065,000
2017	685,000	2027	1,115,000
2018	720,000	2028	1,170,000
2019	755,000	2029	1,230,000

The Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. All the taxable property in Braxton County, West Virginia, will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds when due.

The Bonds will be dated the Date of Delivery, and 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 for 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, 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable May 1, 2009, and semiannually thereafter (each May 1 and November 1) in each year until 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 owners of the Bonds.

## **Optional Redemption**

The Bonds maturing on or after May 1, 2019, are subject to redemption on or after May 1, 2018, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

## **Terms of Sale**

Bidders may only bid to purchase all of the Bonds. Each proposal must state the amount bid for the Bonds not less than \$16,100,000 or greater than 103% of the par value of the bonds, and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Bonds are to bear, but must not state:

- (a) any interest rate which is in excess of 7% per annum,
- (b) more than one interest rate for any Bonds having like maturity, and
- (c) any interest rate for Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than two percent (2%).

The right is reserved to reject any and all proposals not conforming to this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

## **Award**

Unless it rejects all proposals for the Bonds (which right is hereby retained), the Board, from among the legally acceptable proposals which comply with this Official Notice of Sale, will select the bidder (herein called the "successful bidder") whose proposal offers to purchase all the Bonds at the lowest true interest cost ("TIC"). The TIC for the bonds shall be determined by doubling the semi-annual interest based on a 360-day year or twelve-30 day months, compounded semiannually, necessary to discount the semi-annual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price. If there be more than one such proposal making such offer at the same lowest cost, the Bonds will be sold to the bidder whose proposal is selected by the Board by lot from among all such proposals making such offer at the lowest cost.

## **Good Faith Deposit**

Bidders must deliver to the Financial Advisor by 12:00 noon on September 17, 2008, a good faith deposit in the form of a certified or cashier's check or bank draft drawn on a solvent bank or trust company for 2% of the par value of the Bonds (\$322,000), payable to the order of The Board of Education of Braxton County. When the successful bidder has been ascertained, the Board will return to the unsuccessful bidders their good faith deposits. The good faith deposit of the successful bidder will be cashed and may be invested with interest accruing to the benefit of the Board. The principal amount of the good faith deposit of the successful bidder will be applied as partial payment for the Bonds or as security for the performance of such proposal and as liquidated damages in the event the successful bidder fails to accept and pay for the Bonds.

As an alternative to delivering a good faith check as described above, a bidder may enclose with its bid a Financial Surety Bond in the amount of \$322,000. It must be issued by an insurance company

that is licensed to issue such a bond in the State of West Virginia, naming the Board as beneficiary (a "Surety Bond"). The bond must be submitted to the Board or its Financial Advisor prior to the opening of bids. The Surety Bond will identify the bidder whose deposit is guaranteed by the Surety Bond. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the Board \$322,000 in immediately available funds not later than 12:00 noon (Prevailing Time) on the next business date succeeding the date of award of the Bonds. In the event that the Board has not received such federal funds wire by the time stated, the Board may draw upon the Surety Bond to satisfy the successful bidder's deposit requirement.

### **Delivery of the Bonds**

The Bonds will be delivered upon payment of the balance of the purchase price in Federal Funds payable to the order of "The Board of Education of the County of Braxton, West Virginia". It is expected that the Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about September 30, 2008, on such business day and at such hour, as the Board may fix on five business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder.

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Said opinion shall also contain further statements to the effect that (a) said Bond Counsel has considered litigation in certain states, including the State of West Virginia, such as Pauley v. Bailey, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and that, in their opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Braxton County, West Virginia, for payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in such approving opinion; and (b) 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.

It will be a further condition of delivery of any payment for the Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Bonds, including (i) a certificate dated the date of delivery of the Bonds, stating that there is no litigation pending or threatened affecting the validity of the Bonds, or wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board, or adversely affect the power of the Board to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, (ii) a certificate dated the date of delivery of the Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, to the best of their knowledge, the Official Statement in final form and as of its date, did not contain any 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, and (iii) a tax and arbitrage certificate executed on behalf of the Board which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the Federal government, if any, and

maintaining books and records in a special manner, where appropriate, and (b) refrain from taking any action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes. The Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Bonds are binding obligations of the Board and are incontestable.

Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the Board a certificate acceptable to Bond Counsel stating (i) the reoffering prices, expressed as a percentage of par, to the public of each maturity of the Bonds (the "Reoffering Prices"); (ii) that the successful bidder has made a bona fide public offering of the Bonds at the Reoffering Prices; and (iii) that a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries) at such initial Reoffering Prices. Bond Counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

### **Final Official Statement**

Within seven (7) business days after the award of the Bonds to the successful bidder therefor, on the date of the sale, the Board, by its President, will authorize the delivery of its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. The Preliminary Official Statement is deemed final by the Board for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The Board will also issue any supplement or amendment to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Bonds. If requested and furnished to the Board in writing by the successful bidder at or before the close of business on the day of sale, the Board will include in the Official Statement such pricing and other information relating to the reoffering of the Bonds, if any, as may be so furnished. If no such information is furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, the successful bidder shall be responsible to the Board and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. The Board reserves no responsibility or obligation for the distribution of the Official Statement to anyone other than the successful bidder. Within seven (7) business days after the award of the Bonds, the successful bidder will also be furnished, without cost, up to 350 copies of the Official Statement (and any amendment or supplement thereto).

### **CUSIP**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with terms of this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Board. However, the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON

By: /s/ Carolyn D. Long  
Secretary, The Board of Education of the County of Braxton

DATE: August 29, 2008

**OFFICIAL FORM OF PROPOSAL**

Ms. Carolyn D. Long, Superintendent  
 The Board of Education of the County of Braxton, West Virginia

Superintendent:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated August 29, 2008, which are hereby made part of this bid, we offer to purchase all of the \$16,100,000, the Board of Education of the County of Braxton (West Virginia), Public School Bonds, Series 2008, described in said Official Notice of Sale, for the price of \$16,100,000 plus a premium of \$ \_\_\_\_\_ not to exceed \$483,000. The Bonds maturing in the years set forth below shall bear interest at the respective rates set opposite such years in the following table:

Maturity (May 1)	Principal Amount (\$)	Interest Rate (%)	Maturity (May 1)	Principal Amount (\$)	Interest Rate (%)
2010	485,000	_____	2020	795,000	_____
2011	510,000	_____	2021	835,000	_____
2012	535,000	_____	2022	875,000	_____
2013	565,000	_____	2023	920,000	_____
2014	590,000	_____	2024	965,000	_____
2015	620,000	_____	2025	1,010,000	_____
2016	655,000	_____	2026	1,065,000	_____
2017	685,000	_____	2027	1,115,000	_____
2018	720,000	_____	2028	1,170,000	_____
2019	755,000	_____	2029	1,230,000	_____

We have enclosed (please check one):

- One or more certified or cashier's checks or bank draft drawn on solvent banks or trust companies and payable unconditionally to the order of The Board of Education of the County of Braxton, for \$322,000 which check is to be applied in accordance with said Official Notice of Sale.
- A surety bond in the amount of \$322,000 in accordance with the Official Notice of Sale.

Name of Bidder: \_\_\_\_\_

By: \_\_\_\_\_ Telephone: \_\_\_\_\_

(No addition or alteration, except as provided above, is to be made to this bid. Please attach a list of syndicate members, as applicable.)

The foregoing proposal is hereby accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2008

By: \_\_\_\_\_, The Board of Education of the County of Braxton

The following is included for informational purposes only and is not a part of the bid:

True Interest Cost (Computed in accordance with the Official Notice of Sale) \_\_\_\_\_ %

Return of the check mentioned in the above proposal to the above named bidder is hereby acknowledged.

By: \_\_\_\_\_

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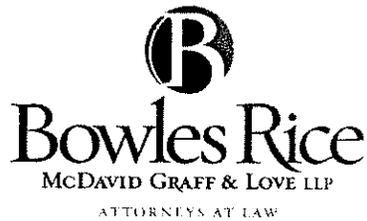




101 South Queen Street  
Martinsburg, West Virginia 25401  
(304) 263-0836

7000 Hampton Center, Suite K  
Morgantown, West Virginia 26505  
(304) 285-2500

333 West Vine Street, Suite 1700  
Lexington, Kentucky 40507-1639  
(859) 252-2202



600 Quarrier Street  
Charleston, West Virginia 25301

Post Office Box 1386  
Charleston, West Virginia 25325-1386  
(304) 347-1100

[www.bowlesrice.com](http://www.bowlesrice.com)

480 West Jubal Early Drive  
Suite 130  
Winchester, Virginia 22601  
(540) 723-8877

5th Floor, United Square  
501 Avery Street  
Parkersburg, West Virginia 26101  
(304) 485-8500

Edward D. McDevitt  
Telephone — (304) 347-1711  
Facsimile — (304) 343-3058

September 30, 2008

E-Mail Address:  
[emcdevitt@bowlesrice.com](mailto:emcdevitt@bowlesrice.com)

Internal Revenue Service Center  
Ogden, Utah 84201

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**  
**NO. 7007 0710 0003 5846 3771**

Re: \$16,100,000 The Board of Education of the County  
of Braxton Public School Bonds, Series 2008

Ladies and Gentlemen:

Please find enclosed Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, submitted in connection with the above-referenced bond transaction.

Also enclosed, please find a copy of said Form 8038-G which has been stamped "COPY" in the upper right-hand corner. It would be greatly appreciated if you would stamp said copy acknowledging the receipt of the subject Form 8038-G and indicate the date on which said Form 8038-G was received by your office. Please then return said copy to the undersigned in the enclosed self-addressed, postage prepaid, envelope.

If you have any questions or comments regarding the foregoing, please contact the undersigned at your convenience. Thank you for your cooperation.

Very truly yours,

  
Edward D. McDevitt

EMD/vla  
Enclosures

**Information Return for Tax-Exempt Governmental Obligations**

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

**Part I Reporting Authority** If Amended Return, check here

1 Issuer's name <b>Braxton County (West Virginia) Board of Education</b>	2 Issuer's employer identification number <b>55 6000301</b>
3 Number and street (or P.O. box if mail is not delivered to street address) <b>411 North Hill Road</b>	Room/suite
5 City, town, or post office, state, and ZIP code <b>Sutton, West Virginia 26601</b>	4 Report number <b>3 01</b>
7 Name of issue <b>Braxton County (WV) Public School Bonds, Series 2008</b>	6 Date of issue <b>September 30, 2008</b>
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Ginger L. Altizer, Treasurer</b>	8 CUSIP number <b>105745 BP7</b>
	10 Telephone number of officer or legal representative <b>( 304 ) 765-7101 x 258</b>

**Part II Type of Issue (check applicable box(es) and enter the issue price)** See instructions and attach schedule

11 <input checked="" type="checkbox"/> Education	11 <b>16,100,000</b>
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

**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 <b>May 1, 2029</b>	<b>\$ 16,100,000</b>	<b>\$ 16,100,000</b>	<b>12.588337</b> years	<b>4.612574</b> %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22 <b>0</b>
23 Issue price of entire issue (enter amount from line 21, column (b))	23 <b>16,100,000</b>
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 <b>67,000</b>
25 Proceeds used for credit enhancement	25 <b>0</b>
26 Proceeds allocated to reasonably required reserve or replacement fund	26 <b>0</b>
27 Proceeds used to currently refund prior issues	27 <b>0</b>
28 Proceeds used to advance refund prior issues	28 <b>0</b>
29 Total (add lines 24 through 28)	29 <b>67,000</b>
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 <b>16,033,000</b>

**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	n/a years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	n/a years
33 Enter the last date on which the refunded bonds will be called	n/a
34 Enter the date(s) the refunded bonds were issued	

**Part VI Miscellaneous**

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35 n/a
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a <b>15,700,000 *</b>
b Enter the final maturity date of the guaranteed investment contract	<b>March 2011 *</b>
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a n/a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer <b>n/a</b> and the date of the issue	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

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.

Sign Here

*Ernie Moore*  
 Signature of issuer's authorized representative

September 30, 2008  
 Date

Ernie Moore, President  
 Type or print name and title

\*ESTIMATE-SUBJECT TO MARKET CONDITIONS.







**School Building Authority of West Virginia**

Dr. Mark A. Manchin, Executive Director

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2300 Kanawha Boulevard, East • Charleston, West Virginia 25311-2306 • Office Number (304) 558-2541 • FAX Number (304) 558-2539

---

April 21, 2008

Ms. Carolyn Long  
Superintendent  
Braxton County Schools  
411 North Hill Road  
Sutton, WV 26601-1147

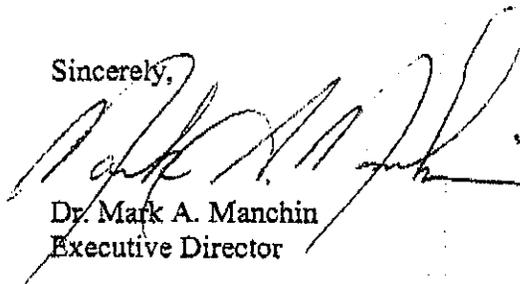
Dear Ms. Long:

I am pleased to inform you that on April 21, 2008 at a Quarterly Meeting, the School Building Authority approved a Needs Grant for Braxton County in the amount of \$7,800,000. These funds have been reserved for Braxton County and will be made available upon the successful passage of your local bond issue. The balance of your grant will be awarded in a two-year cycle of \$3,900,000 per year. This grant is contingent upon passage of your local bond issue in May, 2008 for \$16,200,000. The grant was awarded for additions and renovations at Davis, Flatwoods, and Sutton Elementary Schools.

Once the SBA has been notified of the passage of your bond issue, we will issue a grant contract for Braxton County.

We are pleased that you will be receiving sufficient funds to address your project and wish you the best of luck on your local bond issue. If you have any questions, please do not hesitate to call on me.

Sincerely,



Dr. Mark A. Manchin  
Executive Director

MAM:kc

f:\karen\braxton0408contingentneedsgrantnotice.wpd



# BRAXTON CITIZENS' NEWS

Post Office Box 516 Sutton  
501 Main Street, Sutton, WV  
304-765-5193

## PUBLISHER'S CERTIFICATE OF PUBLICATION

I, **Edward R. Given**, managing editor and publisher of the **Braxton Citizens' News**, a newspaper of general circulation, published at Sutton, in the County of Braxton, West Virginia, do certify that the attached:

### Official Ballot Bond

was published in said newspaper for Two consecutive issues, to-wit, in its issues of 4/22, 5/6, 20 08.

*Edward R. Given*

Managing Editor

Taken, sworn to and subscribed by the said **Edward R. Given** before me, in Braxton County, West Virginia, this 6th day of

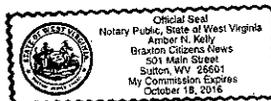
May, 20 08

*Amber Kelly*

Notary Public

My commission expires

October 18, 20 16



**OFFICIAL BALLOT**  
**BRAXTON COUNTY BOARD OF EDUCATION**  
**SCHOOL BOND ELECTION**  
**MAY 13, 2008**

Shall the Board of Education of the County of Braxton incur debt and issue bonds in the amount of \$16,100,000, maturing on such bonds to run not more than twenty-one (21) years from the date of such bonds, with interest not exceeding the rate of seven and one-tenth (7.00%) per annum (7.00%), payable semi-annually, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing and/or equipping the school buildings, facilities and structures in the Braxton County Public School District to provide adequate, safe and convenient facilities for the School District, namely:

PROJECT	LOCATION	ESTIMATED COST
<b>Frametown Elementary</b> Construct two (2) classrooms, a mechanical room, kitchen, addition and two (2) student restrooms. Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting-interior exterior, fire suppression system, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.	Existing Frametown Elementary School Frametown, West Virginia	Bond Funds \$2,590,775
<b>Little Birch Elementary</b> Construct two (2) classrooms, two (2) student restrooms and Mechanical Room. Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repair, painting-interior/exterior, fire suppression system, new roofing, exterior masonry repainting, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.	Existing Little Birch Elementary School Little Birch, West Virginia	Bond Funds \$2,863,781
<b>Muraville Elementary</b> Construct elevator and service connector. Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting-interior/exterior, fire suppression system, new roofing, exterior masonry repainting, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, drainwater stand, ventilation and furnishings and equipment.	Existing Muraville Elementary School	Bond Funds \$3,114,833
<b>Braxton County Middle School</b> Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers.	Existing Braxton County Middle School	Bond Funds \$1,346,810
<b>Braxton County High School</b> Renovations to include: new VCT flooring, base, painting - interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment.	Existing Braxton County High School	Bond Funds \$3,369,122
<b>Davis Elementary</b> Construction of two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical rooms and stairs. Renovations to include: restrooms, new lighting, flooring and structural repairs, painting-interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, electrical services and distribution upgrades, paving and repair to parking lot and sidewalks, window asbestos abatement and furnishings and equipment.	Existing Davis Elementary School	Bond Funds \$1,602,979 Grant Funds \$2,263,783
<b>Flatwoods Elementary School</b> Construction of five (5) classrooms, special education classroom, storage, two (2) student restrooms, mechanical room, kitchen addition, two (2) lockers, restrooms, new lighting and ceiling tile, window, exterior masonry repainting, new windows, doors, frames, hardware, electrical service and distribution upgrades and furnishings and equipment.	Existing Flatwoods Elementary School	Bond Funds \$725,369 Grant Funds \$2,865,702
<b>Sutton Elementary School</b> Construction of two (2) classrooms, student restrooms and mechanical room. Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting-interior/exterior, fire suppression system, new roofing, exterior masonry repainting, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, new furnishings and equipment, exterior masonry removal and sidewalk reconstruction and repairs.	Existing Sutton Elementary School	Bond Funds \$438,655 Grant Funds \$1,670,545

**TOTAL PROPOSED BOND CALL:**

Project costs: \$16,100,000  
 Costs of Issuance \$ 48,000  
 Third Party Funds \$ 2,800,000  
 Total Proposed Bond Call \$16,100,000

The above amount is made up of the aggregate principal amount of the bond issue in the sum of SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000).

The foregoing amounts include the costs of applying necessary lands, sites and rights of way, if any, engineering and architectural costs, including but not limited to the cost of preparing and recording the plans, the costs and estimated cost of the issuance of the Bonds, interest during the construction of the project, and such other costs, fees, and charges as may be necessary and/or proper in carrying out the foregoing projects. All handicapped and E.S.S.I.A. Title I expenditures are subject to written approval by the West Virginia Department of Education. If for any reason any one or more of the above enumerated projects cannot be completed, carried out, or completed, the amount above set out for any such project and any sums remaining unspent upon the completion of any of the foregoing projects may be allocated by the Braxton County Board of Education in its discretion, to and expended for any one or more of the remaining projects specified above, as provided by Section 6(a) Article 1, Chapter 13, of the Code of West Virginia, 1931, as amended. The amount of the bond issue referred to in this section having received one or more grants from the West Virginia School Building Authority and/or sources in an amount not less than Seven Million Eight Hundred Thousand Dollars (\$7,800,000) for use in the renovations and improvements to the Davis, Flatwoods and Sutton Elementary Schools, the receipt of which sum is a condition precedent to the resource of the Bonds. In the event the Braxton County Board of Education shall obtain additional money by grant or otherwise from the state or federal government, or from any other source, for use in the acquisition, construction, renovation, improvement, furnishing, and/or equipping of the above enumerated projects, such additional money may be used either in substitution for or in addition to the proceeds of the sale of the bonds proposed hereby, as may be determined by said Board and the granting body or agency.

- YES (For the Bond Issue.)  
 NO (Against the Bond Issue.)

**NOTICE TO VOTERS:**

To vote in favor of the proposition (for the Bond Issue) submitted on this ballot, mark an X in the box next to "YES".  
 To vote against the proposition (against the Bond Issue), mark an "X" in the box next to "NO".

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA  
COUNTY OF BRAXTON

I, Craig A. Smith, being first duly sworn upon my oath, do depose and say that I am publisher of:  
THE BRAXTON DEMOCRAT-CENTRAL, a Republican newspaper published weekly for at least 51 weeks during the calendar year in Sutton, Braxton County, West Virginia, 26601, that such newspaper is a newspaper of "general circulation", as that term is defined in Article Three, Chapter Fifty-Nine of the Code of West Virginia 1931, as amended, within the publication area, or areas, of said municipality and county and adjoining counties of Braxton; exclusive of any cover, per issue, that such newspaper circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisings, and other notices; that the annexed notice

sample ballots - (school bond, levies and election)

was duly published in said newspaper once a week for 2 successive weeks (Class II)

commencing with the issues of the 18<sup>th</sup> day of April 2008 and ending with the issue of the 9<sup>th</sup> day of May 2008.

That the cost of publishing said annexed notices as aforesaid was

\$ pd  
Signed [Signature]

Taken, subscribed and sworn to before me in my said county this 16<sup>th</sup> day of June 2008

Joan Bias  
Notary Public of Braxton County, West Virginia

My Commission Expires Sept 3, 2012



**OFFICIAL BALLOT**  
**BRAXTON COUNTY BOARD OF EDUCATION**  
**SCHOOL BOND ELECTION**  
**MAY 13, 2008**

Shall the Board of Education of the County of Braxton incur debt and issue bonds in the amount of \$16,100,000, maturities on such bonds to run not more than twenty-one (21) years from the date of such bonds, with interest not exceeding the rate of seven and no/100 per annum (7.00%), payable semiannually, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing and/or equipping the school buildings, facilities and structures in the Braxton County Public School District to provide adequate, safe and convenient facilities for the School District, namely:

PROJECT	LOCATION	ESTIMATED COST
<b>Frametown Elementary</b> Construct two (2) classrooms, a mechanical room, kitchen, addition and two (2) student restrooms. Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting-interior /exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.	Existing Frametown Elementary School Frametown, West Virginia	Bond Funds \$2,590,775
<b>Little Birch Elementary</b> Construct two (2) classrooms, two (2) student Restrooms and Mechanical Room. Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repair, painting interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.	Existing Little Birch Elementary School Little Birch, West Virginia	Bond Funds \$2,863,781
<b>Burnsville Elementary</b> Construct elevator and service connector Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood, ventilation and furnishings and equipment.	Existing Burnsville Elementary School	Bond Funds \$3,114,833
<b>Braxton County Middle School</b> Renovations to include: paved parking areas, renovations for Board of Education offices, new roofing and new lockers.	Existing Braxton County Middle School	Bond Funds \$1,346,810
<b>Braxton County High School</b> Renovations to include: new VCT flooring, base, Painting - interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment.	Existing Braxton County High School	Bond Funds \$3,368,122
<b>Davis Elementary</b> Construction of two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical rooms and stairs. Renovations to include: restrooms, new lighting, flooring and structural repairs, painting interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment.	Existing Davis Elementary School	Bond Funds \$1,602,979 Grant Funds \$3,263,783
<b>Flatwoods Elementary School</b> Construction of five (5) classrooms, physical education classroom, gym storage, two (2) student restrooms, mechanical room and kitchen addition. Renovations to include: restrooms, new lighting and ceiling tiles, painting - interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.	Existing Flatwoods Elementary School	Bond Funds \$725,369 Grant Funds \$2,865,702
<b>Sutton Elementary School</b> Construction of two (2) classrooms, student restrooms and mechanical room. Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, window asbestos abatement, exterior masonry repointing, new windows, doors, frames, hardware, electrical service, and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, new furnishings and equipment, exterior ramp removal and sidewalk renovations and repairs.	Existing Sutton Elementary School	Bond Funds \$438,655 Grant Funds \$1,670,515
<b>TOTAL PROPOSED BOND CALL:</b>		Project costs: \$23,851,324 Costs of Issuance \$ 48,676 Third Party Funds \$ 7,800,000 Total Proposed \$31,600,000 Bond Call \$16,100,000

The above amounts are made up of the aggregate principal amount of the Bond issue in the sum of SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000).

The foregoing amounts include the costs of acquiring necessary lands, sites and rights-of-way, if any, engineering and architectural costs, including but not limited to the cost of having County maintenance personnel, the costs and estimated costs of the issuance of the Bonds, interest during the construction of the Projects, and such other costs, fees, and expenses as may be necessary and/or properly incurred in carrying out the foregoing projects. All Handicapped and E.S.S.I.A. Title I expenditures are subject to written approval by the West Virginia Department of Education. If for any reason any one or more of the above enumerated projects cannot be constructed, carried out, or completed, the amount above set out for any such project and any sums remaining unused upon completion of any of the foregoing projects may be allocated by the Braxton County Board of Education in its discretion, to and expended for any one or more of the remaining projects set out above, as provided by Section 6(a) Article I, Chapter 13, of the Code of West Virginia, 1931, as amended. The amount of the Bond issue reflects the School District having received one or more grants from the West Virginia School Building Authority and/or sources in an amount not less than Seven Million Eight Hundred Thousand Dollars (7,800,000) for use the renovations and improvements at the Davis, Flatwoods and Sutton Elementary Schools, the receipt of which sum is a condition precedent to the resource of the Bonds. In the event the Braxton County Board of Education shall obtain additional money by grant or otherwise from the state or federal government, or from and agency of either, or from any other source, for use in the acquisition, construction, renovation, improvement, furnishing, and/or equipping of the above enumerated projects, such additional money may be used either in substitution for or in addition to the proceeds of the sale of the bonds proposed hereby, as may be determined by said Board and the granting body or agency.

- YES (For the Bond Issue.)  
 NO (Against the Bond Issue.)

**NOTICE TO VOTERS:**

To vote in favor of the proposition (for the Bond Issue) submitted on this ballot, mark an X in the box next to "YES".  
 To vote against the proposition (against the Bond Issue), mark an "X" in the box next to "NO".



101 South Queen Street  
Martinsburg, West Virginia 25401  
(304) 263-0836

7000 Hampton Center, Suite K  
Morgantown, West Virginia 26505  
(304) 285-2500

333 West Vine Street, Suite 1700  
Lexington, Kentucky 40507-1639  
(859) 252-2202

Edward D. McDevitt  
Telephone — (304) 347-1711  
Facsimile — (304) 343-3058

Dawn E. Warfield, Esquire  
Office of the Attorney General  
Building 1, Room E-26  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305

Re: Proposed \$16,100,000 The Board of Education of the  
County of Braxton, Public School Bonds, Series 2008

Dear Dawn:

Enclosed herewith please find proof of publication for the Attorney General's Approval in reference to the above issue. Please note that the advertising was done as a Class II advertisement as required under law. We would note that the last publication date, in the second newspaper, was the 15<sup>th</sup> day of August 2008. We would appreciate your taking the appropriate action in connection with this at the earliest date permitted by law. Due to timing, and in order to better serve the Board of Education and the students of Braxton County, West Virginia, we are moving this matter on the earliest permitted track.

Your usual cooperation is greatly appreciated.

Very truly yours,



Edward D. McDevitt

EMD/vla  
Enclosures (2)  
cc: Ms. Carolyn Long  
Ms. Marie Prezioso



600 Quarrier Street  
Charleston, West Virginia 25301

Post Office Box 1386  
Charleston, West Virginia 25325-1386  
(304) 347-1100

[www.bowlesrice.com](http://www.bowlesrice.com)

August 22, 2008

480 West Jubal Early Drive  
Suite 130  
Winchester, Virginia 22601  
(540) 723-8877

5th Floor, United Square  
501 Avery Street  
Parkersburg, West Virginia 26101  
(304) 485-8500

E-Mail Address:  
[emcdevitt@bowlesrice.com](mailto:emcdevitt@bowlesrice.com)

**VIA HAND DELIVERY**

# BRAXTON CITIZENS' NEWS

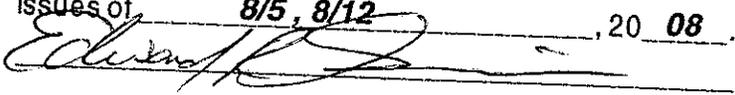
Post Office Box 516 Sutton  
501 Main Street, Sutton, WV  
304-765-5193

## PUBLISHER'S CERTIFICATE OF PUBLICATION

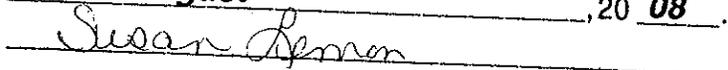
I, **Edward R. Given**, managing editor and publisher of the **Braxton Citizens' News**, a newspaper of general circulation, published at Sutton, in the County of Braxton, West Virginia, do certify that the attached:

### School Bond - Attorney General

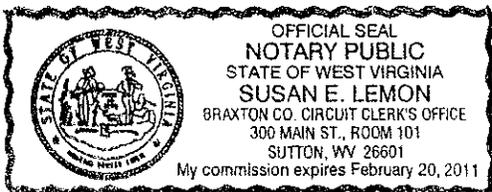
was published in said newspaper for Two consecutive issues, to-wit, in its issues of 8/5, 8/12, 20 08.

  
Managing Editor

Taken, sworn to and subscribed by the said **Edward R. Given** before me, in Braxton County, West Virginia, this 21st day of August, 20 08.

  
Notary Public

My commission expires 2-20-2011, 20 11.



# LEGAL NOTICES

Page 16, Braxton Citizens' News, August 12, 2008

IN THE MATTER OF THE BOARD OF EDUCATION OF BRAXTON COUNTY  
STATE OF WEST VIRGINIA

PUBLIC SCHOOL BOND, SERIES 2008  
\$16,100,000  
ATTORNEY GENERAL'S APPROVAL

At a regular meeting of the Board of Education of the County of Braxton, State of West Virginia, held on the 19<sup>th</sup> day of February, 2008, an order was adopted and entered of record authorizing a vote to be taken of legal voters of the County of Braxton at a general election to be held on the 13<sup>th</sup> day of May 2008, upon all questions connected with the incurring of debt and issuing bonds in the aggregate principal amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000), and levying taxes to pay the interest on and the principal of said bonds, the proceeds from the sale of such bonds to be used for the following purposes:

**PHOJECT LOCATION ESTIMATED COST**  
Frametown Elementary Construct two (2) classrooms, a mechanical room, kitchen addition and two (2) student restrooms; Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting - interior/exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.

Existing Frametown Elementary School  
West Virginia Bond Funds \$2,590,775  
Little Birch Elementary Construct two (2) classrooms, two (2) student restrooms and mechanical room; Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment  
Existing Little Birch Elementary School  
West Virginia Bond Funds \$2,963,781

Burnsville Elementary Construct elevator and elevator connector; Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment  
Existing Burnsville Elementary School  
West Virginia Bond Funds \$1,346,810

Bond Funds \$3,114,833  
Braxton County Middle School Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers  
Existing Braxton County Middle School Bond Funds \$1,346,810  
Braxton County High School Renovations to include: new VCT flooring, base, painting - interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment  
Existing Braxton County High School Bond Funds \$3,368,122

Davis Elementary Construct two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical room and stairs; Renovations to include: restrooms, new lighting, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, plumbing upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment.  
Existing Davis Elementary School Bond Funds \$1,602,979

Flatwoods Elementary School Construct five (5) classrooms, physical education classroom, gym storage, two (2) student restrooms, mechanical room and kitchen addition; Renovations to include: restrooms, new lighting and ceiling tiles, painting - interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and furnishings and equipment.  
Existing Flatwoods Elementary School Bond Funds \$2,865,702

Sutton Elementary School Construct two (2) classrooms, student restrooms and mechanical room; Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, window asbestos abatement, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC

system, site drainage, paving of parking lot, new furnishing and equipment, exterior ramp removal and sidewalk renovations and repairs  
Existing Sutton Elementary School Bond Funds \$438,655  
Grant Funds \$1,670,515  
**TOTAL PROPOSED BOND CALL: \$2,109,170**  
Project Cost: \$23,851,324  
Costs of Issuance Third Party Funds: Total Proposed Bond Call \$2,800,000  
MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000)

The Board of Education of the County of Braxton, pursuant to the provisions of Chapter 13, Article 1, Section 24 of the West Virginia Code of 1931, as amended, has caused to be transmitted to me certified copies of all pertinent orders, ordinances, proclamations, certificates of valuation, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and I have examined the same and appears from the records so transmitted to me that with respect to the proposition of incurring debt and issuing bonds as provided in said order, 2,609 votes were cast for and 2,407 votes were cast against the issuance of said bonds, so that a majority of the votes were cast for the proposition.  
In my opinion, there has been substantial compliance with the law relating to the issuance of said bonds, and therefore approve the validity of such bond issue pursuant to the provisions of Chapter 13, Article 1, Section 25 of the West Virginia Code of 1931 as amended.  
/s/ Darrell V. McGraw, Jr.  
Darrell V. McGraw, Jr.  
Charleston, West Virginia  
2149491.1  
July 29, 2008

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA  
COUNTY OF BRAXTON

I, Craig A. Smith, being first duly sworn upon my oath, do  
depose and say that I am publisher of:  
THE BRAXTON DEMOCRAT-CENTRAL, a Republican  
newspaper published weekly for at least 51 weeks during  
the calendar year in Sutton, Braxton County, West Virginia,  
26601, that such newspaper is a newspaper of "general  
circulation", as that term is defined in Article Three, Chapter  
Fifty-Nine of the Code of West Virginia 1931, as amended,  
within the publication area, or areas, of said municipality and  
county and adjoining counties of Braxton; exclusive of any  
cover, per issue, that such newspaper circulated to the general  
public at a definite price or consideration; that such news-  
paper is a newspaper to which the general public resorts for  
passing events of a political, religious, commercial and social  
nature, and for current happenings, announcements, miscel-  
laneous reading matters, advertisings, and other notices; that  
the annexed notice

public school board  
Series 2008

was duly published in said newspaper once a week  
for 2 successive weeks (Class II)  
commencing with the issues of the 8<sup>th</sup> day of  
August 2008 and ending with the issue of  
the 15<sup>th</sup> day of August 2008.

That the cost of publishing said annexed notices as aforesaid  
was

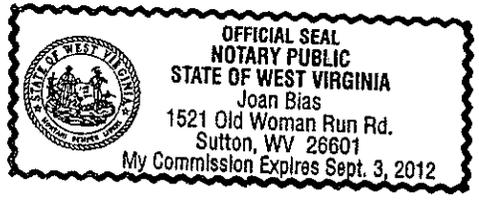
\$ 654.06

Signed [Signature]

Taken, subscribed and sworn to before me in my  
said county this 15<sup>th</sup> day of  
August 2008

Jean Bias  
Notary Public of Braxton County, West Virginia

My Commission Expires Sept 3, 2012



Total Proposed  
Bond Call \$16,100,000

IN THE MATTER OF THE BOARD OF EDUCATION OF BRAXTON COUNTY  
STATE OF WEST VIRGINIA

\$16,100,000  
PUBLIC SCHOOL BOND, SERIES 2008

ATTORNEY GENERAL'S APPROVAL

At a regular meeting of the Board of Education of the County of Braxton, State of West Virginia, held on the 19<sup>th</sup> day of February 2008, an order was adopted and entered of record authorizing a vote to be taken of legal voters of the County of Braxton at a general election to be held on the 13<sup>th</sup> day of May 2008, upon all questions connected with the incurring of debt and issuing bonds in the aggregate principal amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000), and levying taxes to pay the interest on and the principal of said bonds, the proceeds from the sale of such bonds to be used for the following purposes:

PROJECT	LOCATION	ESTIMATED COST
<b>Frametown Elementary</b> Construct two (2) classrooms, a mechanical room, kitchen addition and two (2) student restrooms.  Renovations to include: restrooms, new lighting and ceiling tile, new flooring, painting - interior/exterior, fire suppression system, new windows, doors, frames, hardware, electrical service upgrades, plumbing upgrades, new sanitary package plan, HVAC upgrades, sidewalks repaired, driveways and parking areas paved and new furnishings and equipment.	Existing Frametown Elementary School Frametown, West Virginia	Bond Funds \$2,590,775
<b>Little Birch Elementary</b> Construct two (2) classrooms, two (2) student restrooms and mechanical room.  Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot and new furnishings and equipment.	Existing Little Birch Elementary School Little Birch, West Virginia	Bond Funds \$2,863,781
<b>Bearville Elementary</b> Construct elevator and elevator ossocctor  Renovations to include: restrooms, new lighting, new flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, asbestos removal, outdoor walkway coverings, dishwasher hood ventilation and furnishings and equipment.	Existing Bearville Elementary School	Bond Funds \$2,114,833
<b>Braxton County Middle School</b> Renovations to include: paved parking area, renovations for Board of Education offices, new roofing and new lockers	Existing Braxton County Middle School	Bond Funds \$1,346,810
<b>Braxton County High School</b> Renovations to include: new VCT flooring, base, painting - interior/exterior, new doors, frames, hardware, replace non-efficient windows, new HVAC in section C, air handler replacement, new lockers and furniture and equipment	Existing Braxton County High School	Bond Funds \$3,368,122
<b>Davis Elementary</b> Constructions of two (2) classrooms, two (2) student restrooms, dining room, kitchen, administrative offices, elevator, lobby, mechanical room and stairs  Renovations to include: restrooms, new lighting, flooring and structural repairs, painting - interior/exterior, fire suppression system, new roofing, new windows, doors, frames, hardware, sidewalk canopy, electrical services and distribution upgrades, plumbing upgrades, paving and repairs to parking lot and sidewalks, window asbestos abatement and furnishings and equipment	Existing Davis Elementary School	Bond Funds \$1,602,979 Grant Funds \$3,263,783
<b>Fletwoods Elementary School</b> Construction of five (5) classrooms, physical education classroom, gym storage, two (2) student restrooms, mechanical room and kitchen addition  Renovations to include: restrooms, new lighting and ceiling tiles, painting - interior/exterior, fire suppression system, paving of sidewalks and parking lots, kitchen renovations, electrical service and distribution upgrades and furnishings and equipment.	Existing Fletwoods Elementary School	Bond Funds \$725,369 Grant Funds \$2,865,702
<b>Sutton Elementary School</b> Constructions of two (2) classrooms, student restrooms and mechanical room  Renovations to include: restrooms, new lighting, new subfloor, flooring and structural repairs, painting - interior/exterior, fire suppression system, window asbestos abatement exterior masonry repointing, new windows, doors, frames, hardware, electrical service and distribution upgrades, plumbing upgrades, new HVAC system, site drainage, paving of parking lot, new furnishing and equipment, exterior ramp removal and sidewalk renovations and repairs	Existing Sutton Elementary School	Bond Funds \$438,655 Grant Funds \$1,670,515

TOTAL PROPOSED BOND CALL: Project Costs \$23,851,324  
Costs of Issuance \$ 48,676  
Third Party Funds \$ 7,800,000

The above amounts are made up of the aggregate principal amount of the Bond issue in the sum of SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000).

The Board of Education of the County of Braxton, pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931, as amended, has caused to be transmitted to me certified copies of all pertinent orders, ordinances, proclamations, certificates of valuation, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and I have examined the same.

It appears from the records so transmitted to me that with respect to the proposition of incurring debt and issuing bonds, as provided in said order, 2,609 votes were cast for and 2,407 votes were cast against the issuance of said bonds, so that a majority of the votes were cast for the proposition.

In my opinion, there has been substantial compliance with the law relating to the issuance of said bonds, and I therefore approve the validity of such bond issue pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931 as amended.

*Darrell V. McGraw, Jr.*  
Darrell V. McGraw, Jr.

Charleston, West Virginia  
July 29, 2008





STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
CHARLESTON 25305

DARRELL V. McGRAW, JR.  
ATTORNEY GENERAL

(304) 558-2021  
FAX (304) 558-0140

August 27, 2008

The Honorable Rory L. Perry, Clerk  
West Virginia Supreme Court of Appeals  
State Capitol, Room E-317  
Charleston, West Virginia 25305

Re: Braxton County Board of Education  
\$16,100,000 Public School Bonds, Series 2008

Dear Mr. Perry:

On July 29, 2008, as Attorney General of the State of West Virginia, I approved the above-referenced bond issue as provided for by West Virginia Code § 13-1-25. As evidenced by the enclosed copy of the Affidavit of Publication, notice of my approval was published in *The Braxton Democrat-Central* and the *Braxton Citizens' News*, as required by law, with the last publication date being August 15, 2008.

Please advise me as to whether any person or taxpayer within ten days from and after the date of the last publication of the above-referenced notices presented any petition to the Supreme Court of Appeals or to a Judge thereof in vacation, praying that the action of the Attorney General be reversed or modified as provided in West Virginia Code § 13-1-26.

Very truly yours,

DARRELL V. McGRAW, JR.  
ATTORNEY GENERAL

By:

A handwritten signature in cursive script that reads "Dawn E. Warfield".

DAWN E. WARFIELD  
DEPUTY ATTORNEY GENERAL

DEW/ti  
Enclosure





OFFICE OF THE CLERK

CLERK OF COURT  
RORY L. PERRY II

DEPUTY CLERK  
EDYTHE NASH

August 27, 2008

STATE CAPITOL, ROOM E-317  
1900 KANAWHA BOULEVARD, EAST  
CHARLESTON, WV 25305  
PHONE: (304) 558-2601  
FAX: (304) 558-3815  
WEB: WWW.STATE.WV.US/WVSCA

Dawn E. Warfield, Esq.  
Deputy Attorney General  
Attorney General's Office  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305



**Re: *Braxton County Board of Education***  
***\$16,100,000 Public School Bonds, Series 2008***

Dear Ms. Warfield:

As of this date, no person or taxpayer, within ten days from and after the date of last publication of notice (August 15, 2008) in the above-referenced bond issue of July 29, 2008, has presented a petition to the Supreme Court of Appeals, or to a judge thereof in vacation, praying that the action of the Attorney General, which approved the subject issue pursuant to West Virginia Code §13-1-25, be reversed or modified as provided in West Virginia Code §13-1-26.

If there are any other questions regarding this matter, please give me a call.

Sincerely,

Rory L. Perry II  
Clerk



**Copy  
Of  
Advertisement**

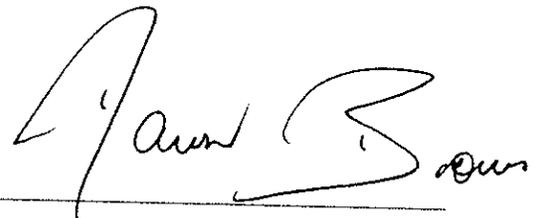
**City and County of New York, ss.: -**

Iris Trejo being duly sworn, says that she is the Billing Coordinator of the BOND BUYER, a daily newspaper printed and published at One State Street Plaza, in the City of New York, County of New York, State of New York; and the notice, of which the annexed is a printed copy, was regularly published in said BOND BUYER on September 02nd, 2008

  
Billing Coordinator

*Subscribed and sworn to before me this*

September 02nd, 2008



Dawn Brown  
Notary Public, State of New York  
No. 01BR5021063  
Qualified in Kings County  
Commission Expires December 6, 2009

**SUMMARY NOTICE OF BOND SALE**

**\$16,100,000**

**The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

Notice is hereby given that electronic proposals will be received via PARITY® in the manner described below, until 12:00 noon, local time, on September 17, 2008. Bids may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at (212) 849-5021. The Board reserves the right to change the date of sale and would give notice through Dalcomp, or other such service, if any changes.

The Bonds will be dated the date of their delivery and will mature on May 1 in the years and in the amounts as follows:

<u>Maturing (May 1)</u>	<u>Principal Amount (\$)</u>	<u>Maturing (May 1)</u>	<u>Principal Amount (\$)</u>
2010	\$485,000	2020	795,000
2011	510,000	2021	835,000
2012	535,000	2022	875,000
2013	565,000	2023	920,000
2014	590,000	2024	965,000
2015	620,000	2025	1,010,000
2016	655,000	2026	1,065,000
2017	685,000	2027	1,115,000
2018	720,000	2028	1,170,000
2019	755,000	2029	1,230,000

The Bonds maturing on or after May 1, 2019, are subject to redemption on or after May 1, 2018, at the option of the Board. The Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. The approving opinion of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia will be furnished to the successful bidder at the expense of the Board. The Bonds will be issued in fully registered form in denominations of \$5,000 and multiples of \$5,000 and will be available in book-entry form only with The Depository Trust Company acting as securities depository.

A complete copy of the Official Notice of Sale and the Official Form of Proposal is contained in the Preliminary Official Statement and may be obtained from the Board's Financial Advisor, Raymond James & Associates, Inc., 530 Laidley Tower, Charleston, West Virginia 25301 (telephone 304/346-1981).

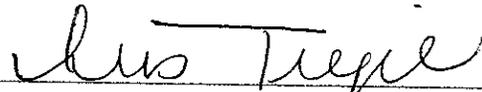
By Order of The Board Of Education Of The County Of Braxton (West Virginia)

September 2, 2008

**Copy  
Of  
Advertisement**

**City and County of New York, ss.: -**

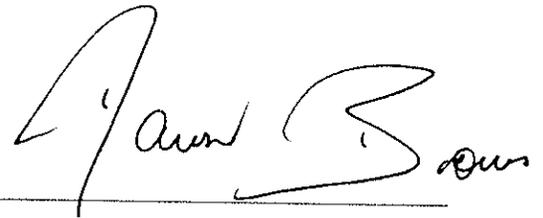
Iris Trejo being duly sworn, says that she is the Billing Coordinator of the BOND BUYER, a daily newspaper printed and published at One State Street Plaza, in the City of New York, County of New York, State of New York; and the notice, of which the annexed is a printed copy, was regularly published in said BOND BUYER on September 9th, 2008



*Billing Coordinator*

*Subscribed and sworn to before me this*

September 9th, 2008



Dawn Brown  
Notary Public, State of New York  
No. 01BR5021063  
Qualified in Kings County  
Commission Expires December 6, 2009

Tuesday, September 9, 2008

www.bondbuyer.com

Legal I

**SUMMARY NOTICE OF BOND SALE**

**\$16,100,000**

**The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 noon, local time, on September 17, 2008. Bids may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at (212) 849-5021. The Board reserves the right to change the date of sale and would give notice through Dalcomp, or other such service, if any changes.

The Bonds will be dated the date of their delivery and will mature on May 1 in the years and in the amounts as follows:

<u>Maturing (May 1)</u>	<u>Principal Amount (\$)</u>	<u>Maturing (May 1)</u>	<u>Principal Amount (\$)</u>
2010	\$485,000	2020	795,000
2011	510,000	2021	835,000
2012	535,000	2022	875,000
2013	565,000	2023	920,000
2014	590,000	2024	965,000
2015	620,000	2025	1,010,000
2016	655,000	2026	1,065,000
2017	685,000	2027	1,115,000
2018	720,000	2028	1,170,000
2019	755,000	2029	1,230,000

The Bonds maturing on or after May 1, 2019, are subject to redemption on or after May 1, 2018, at the option of the Board. The Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. The approving opinion of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia will be furnished to the successful bidder at the expense of the Board. The Bonds will be issued in fully registered form in denominations of \$5,000 and multiples of \$5,000 and will be available in book-entry form only with The Depository Trust Company acting as securities depository.

A complete copy of the Official Notice of Sale and the Official Form of Proposal is contained in the Preliminary Official Statement and may be obtained from the Board's Financial Advisor, Raymond James & Associates, Inc., 530 Laidley Tower, Charleston, West Virginia 25301 (telephone 304/346-1981).

By Order of The Board Of Education Of The County Of Braxton (West Virginia)

September 2, 2008



**OFFICIAL NOTICE OF SALE**

**\$16,100,000**

**The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008**

The Board of Education of the County of Braxton (West Virginia) (the "Board") is using PARITY® as a communication mechanism to conduct the electronic bidding for sale of its \$16,100,000 Public School Bonds, Series 2008 (the "Bonds"), as described herein.

**Bid Submission**

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 noon, local time, on September 17, 2008. Bids may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at (212) 849-5021.

The bids will be publicly announced, and the Board will act upon the bids by 2:30 p.m., Local Time.

In the event of a malfunction of the Electronic Bidding System at 12:00 p.m., Local Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 1:00 p.m., Local Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, facsimile transmission bids will be accepted at the discretion of the Board in coordination with its Financial Advisor, Raymond James & Associates, Inc (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders. Bidders choosing to submit bids in case of a malfunction by facsimile transmission shall use the following telecopier number for such transmission: (304) 346-1985. Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received not later than the deadline as communicated to bidders and that the bid is sent to the telecopier number set forth above. Illegible transmissions shall be rejected. The Financial Advisor, will, on behalf of the Board, verify receipt of each bid submitted through facsimile transmission by contacting each bidder by telephone once the bid has been received. The Financial Advisor will in no instance correct, alter or in any way change bids submitted through facsimile transmission. The Board and the Financial Advisor will not be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of the Official Notice of Sale. Bidders submitting bids via facsimile transmission will bear full and complete responsibility for the transmission of such bids.

Each bid must be unconditional.

The Board expects to take the bids on the Bonds on September 17, 2008. However, the Board reserves the right to postpone the date and time established for the receipt of the bids. Any such postponement will be announced by Dalcomp, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced. Any bidder must submit a sealed bid for the purchase of the Bonds on such alternative sale date in conformity with the provisions of the Official Notice of Sale, except for any changes announced via Dalcomp or any other such service, as described therein.

## Preliminary Official Statement

Copies of the Preliminary Official Statement concerning the Bonds and the Official Form of Proposal relating to the Bonds may be secured from Ms. Carolyn D. Long, Superintendent, Braxton County Board of Education, 411 North Hill Road, Sutton, WV 26601, (telephone 304/765-7911) or from Raymond James & Associates, Inc., 530 Laidley Tower, Charleston, West Virginia 25301 (telephone 304/346-1981).

## The Bonds

The Bonds will be dated the date of their delivery (the "Dated Date") and will mature on May 1 in the years and in the amounts as follows:

Maturing (May 1)	Principal Amount (\$)	Maturing (May 1)	Principal Amount (\$)
2010	\$485,000	2020	795,000
2011	510,000	2021	835,000
2012	535,000	2022	875,000
2013	565,000	2023	920,000
2014	590,000	2024	965,000
2015	620,000	2025	1,010,000
2016	655,000	2026	1,065,000
2017	685,000	2027	1,115,000
2018	720,000	2028	1,170,000
2019	755,000	2029	1,230,000

The Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. All the taxable property in Braxton County, West Virginia, will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds when due.

The Bonds will be dated the Date of Delivery, and 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 for 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, 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable May 1, 2009, and semiannually thereafter (each May 1 and November 1) in each year until 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 owners of the Bonds.

## **Optional Redemption**

The Bonds maturing on or after May 1, 2019, are subject to redemption on or after May 1, 2018, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

## **Terms of Sale**

Bidders may only bid to purchase all of the Bonds. Each proposal must state the amount bid for the Bonds not less than \$16,100,000 or greater than 103% of the par value of the bonds, and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Bonds are to bear, but must not state:

- (a) any interest rate which is in excess of 7% per annum,
- (b) more than one interest rate for any Bonds having like maturity, and
- (c) any interest rate for Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than two percent (2%).

The right is reserved to reject any and all proposals not conforming to this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

## **Award**

Unless it rejects all proposals for the Bonds (which right is hereby retained), the Board, from among the legally acceptable proposals which comply with this Official Notice of Sale, will select the bidder (herein called the "successful bidder") whose proposal offers to purchase all the Bonds at the lowest true interest cost ("TIC"). The TIC for the bonds shall be determined by doubling the semi-annual interest based on a 360-day year or twelve-30 day months, compounded semiannually, necessary to discount the semi-annual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price. If there be more than one such proposal making such offer at the same lowest cost, the Bonds will be sold to the bidder whose proposal is selected by the Board by lot from among all such proposals making such offer at the lowest cost.

## **Good Faith Deposit**

Bidders must deliver to the Financial Advisor by 12:00 noon on September 17, 2008, a good faith deposit in the form of a certified or cashier's check or bank draft drawn on a solvent bank or trust company for 2% of the par value of the Bonds (\$322,000), payable to the order of The Board of Education of Braxton County. When the successful bidder has been ascertained, the Board will return to the unsuccessful bidders their good faith deposits. The good faith deposit of the successful bidder will be cashed and may be invested with interest accruing to the benefit of the Board. The principal amount of the good faith deposit of the successful bidder will be applied as partial payment for the Bonds or as security for the performance of such proposal and as liquidated damages in the event the successful bidder fails to accept and pay for the Bonds.

As an alternative to delivering a good faith check as described above, a bidder may enclose with its bid a Financial Surety Bond in the amount of \$322,000. It must be issued by an insurance company

that is licensed to issue such a bond in the State of West Virginia, naming the Board as beneficiary (a "Surety Bond"). The bond must be submitted to the Board or its Financial Advisor prior to the opening of bids. The Surety Bond will identify the bidder whose deposit is guaranteed by the Surety Bond. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the Board \$322,000 in immediately available funds not later than 12:00 noon (Prevailing Time) on the next business date succeeding the date of award of the Bonds. In the event that the Board has not received such federal funds wire by the time stated, the Board may draw upon the Surety Bond to satisfy the successful bidder's deposit requirement.

### **Delivery of the Bonds**

The Bonds will be delivered upon payment of the balance of the purchase price in Federal Funds payable to the order of "The Board of Education of the County of Braxton, West Virginia". It is expected that the Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about September 30, 2008, on such business day and at such hour, as the Board may fix on five business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder.

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Said opinion shall also contain further statements to the effect that (a) said Bond Counsel has considered litigation in certain states, including the State of West Virginia, such as Pauley v. Bailey, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and that, in their opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Braxton County, West Virginia, for payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in such approving opinion; and (b) 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.

It will be a further condition of delivery of any payment for the Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Bonds, including (i) a certificate dated the date of delivery of the Bonds, stating that there is no litigation pending or threatened affecting the validity of the Bonds, or wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board, or adversely affect the power of the Board to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, (ii) a certificate dated the date of delivery of the Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, to the best of their knowledge, the Official Statement in final form and as of its date, did not contain any 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, and (iii) a tax and arbitrage certificate executed on behalf of the Board which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the Federal government, if any, and

maintaining books and records in a special manner, where appropriate, and (b) refrain from taking any action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes. The Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Bonds are binding obligations of the Board and are incontestable.

Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the Board a certificate acceptable to Bond Counsel stating (i) the reoffering prices, expressed as a percentage of par, to the public of each maturity of the Bonds (the "Reoffering Prices"); (ii) that the successful bidder has made a bona fide public offering of the Bonds at the Reoffering Prices; and (iii) that a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries) at such initial Reoffering Prices. Bond Counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

### **Final Official Statement**

Within seven (7) business days after the award of the Bonds to the successful bidder therefor, on the date of the sale, the Board, by its President, will authorize the delivery of its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. The Preliminary Official Statement is deemed final by the Board for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The Board will also issue any supplement or amendment to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Bonds. If requested and furnished to the Board in writing by the successful bidder at or before the close of business on the day of sale, the Board will include in the Official Statement such pricing and other information relating to the reoffering of the Bonds, if any, as may be so furnished. If no such information is furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, the successful bidder shall be responsible to the Board and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. The Board reserves no responsibility or obligation for the distribution of the Official Statement to anyone other than the successful bidder. Within seven (7) business days after the award of the Bonds, the successful bidder will also be furnished, without cost, up to 350 copies of the Official Statement (and any amendment or supplement thereto).

### **CUSIP**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with terms of this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Board. However, the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON

By: /s/ Carolyn D. Long  
Secretary, The Board of Education of the County of Braxton

DATE: August 29, 2008

**OFFICIAL FORM OF PROPOSAL**

Ms. Carolyn D. Long, Superintendent  
 The Board of Education of the County of Braxton, West Virginia

Superintendent:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated August 29, 2008, which are hereby made part of this bid, we offer to purchase all of the \$16,100,000, the Board of Education of the County of Braxton (West Virginia), Public School Bonds, Series 2008, described in said Official Notice of Sale, for the price of \$16,100,000 plus a premium of \$ \_\_\_\_\_ not to exceed \$483,000. The Bonds maturing in the years set forth below shall bear interest at the respective rates set opposite such years in the following table:

Maturity (May 1)	Principal Amount (\$)	Interest Rate (%)	Maturity (May 1)	Principal Amount (\$)	Interest Rate (%)
2010	485,000	_____	2020	795,000	_____
2011	510,000	_____	2021	835,000	_____
2012	535,000	_____	2022	875,000	_____
2013	565,000	_____	2023	920,000	_____
2014	590,000	_____	2024	965,000	_____
2015	620,000	_____	2025	1,010,000	_____
2016	655,000	_____	2026	1,065,000	_____
2017	685,000	_____	2027	1,115,000	_____
2018	720,000	_____	2028	1,170,000	_____
2019	755,000	_____	2029	1,230,000	_____

We have enclosed (please check one):

- One or more certified or cashier's checks or bank draft drawn on solvent banks or trust companies and payable unconditionally to the order of The Board of Education of the County of Braxton, for \$322,000 which check is to be applied in accordance with said Official Notice of Sale.
- A surety bond in the amount of \$322,000 in accordance with the Official Notice of Sale.

Name of Bidder: \_\_\_\_\_

By: \_\_\_\_\_ Telephone: \_\_\_\_\_

(No addition or alteration, except as provided above, is to be made to this bid. Please attach a list of syndicate members, as applicable.)

The foregoing proposal is hereby accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2008

By: \_\_\_\_\_, The Board of Education of the County of Braxton

The following is included for informational purposes only and is not a part of the bid:

True Interest Cost (Computed in accordance with the Official Notice of Sale) \_\_\_\_\_%

Return of the check mentioned in the above proposal to the above named bidder is hereby acknowledged.

By: \_\_\_\_\_



Upcoming Calendar Overview Result Excel

**Hutchinson, Shockey, Erley & Co. - Chicago , IL's Bid  
Braxton Co BOE**



**\$16,100,000 Public School Bonds, Series 2008**

For the aggregate principal amount of \$16,100,000.00, we will pay you \$16,118,165.90, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2010	485M	4.5000
05/01/2011	510M	4.0000
05/01/2012	535M	3.2500
05/01/2013	565M	3.2500
05/01/2014	590M	3.5000
05/01/2015	620M	3.5000
05/01/2016	655M	3.7500
05/01/2017	685M	4.0000
05/01/2018	720M	4.0000
05/01/2019	755M	5.2500
05/01/2020	795M	5.0000
05/01/2021	835M	5.0000
05/01/2022	875M	5.0000
05/01/2023	920M	5.0000
05/01/2024	965M	4.5000
05/01/2025	1,010M	5.2500
05/01/2026	1,065M	4.5000
05/01/2027	1,115M	4.7500
05/01/2028	1,170M	4.7500
05/01/2029	1,230M	4.7500

Total Interest Cost: \$9,535,591.49  
 Premium: \$18,165.90  
 Net Interest Cost: \$9,517,425.59  
 TIC: 4.630511  
 Time Last Bid Received On: 09/17/2008 11:59:50 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Hutchinson, Shockey, Erley & Co., Chicago , IL  
 Contact: Jim VanMetre  
 Title:  
 Telephone: 312-443-1550  
 Fax: 443-72-25

Issuer Name: The Board of Education of the County of Braxton

Company Name: HUTCHINSON, SHOCKEY, ERLEY & CO.

Accepted By: John Campbell

Accepted By: Carlyle Scott

Date: 9/17/08

Date: 9/17/08

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12:13:35 p.m. EDST

[Upcoming Calendar](#)

[Overview](#)

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[Summary](#)

## Bid Results

### Braxton Co BOE \$16,100,000 Public School Bonds, Series 2008

The following bids were submitted using **PARITY**<sup>®</sup> and displayed ranked by lowest TIC. Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	<a href="#">Hutchinson, Shockey, Erley &amp; Co.</a>	4.630511
<input type="checkbox"/>	<a href="#">Piper Jaffray</a>	4.630788
<input type="checkbox"/>	<a href="#">Crews &amp; Associates, Inc.</a>	4.706261
<input type="checkbox"/>	<a href="#">Robert W. Baird &amp; Co., Inc.</a>	5.052339
<input type="checkbox"/>	<a href="#">UBS Securities, LLC</a>	5.263265

\*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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Result Excel

**Bids Comparison**



**Braxton Co BOE  
\$16,100,000 Public School Bonds, Series 2008**

**Hutchinson, Shockey, Erley & Co. - Chicago, IL**

Maturity	Amount	Coupon
05/01/2010	485M	4.5000
05/01/2011	510M	4.0000
05/01/2012	535M	3.2500
05/01/2013	565M	3.2500
05/01/2014	590M	3.5000
05/01/2015	620M	3.5000
05/01/2016	655M	3.7500
05/01/2017	685M	4.0000
05/01/2018	720M	4.0000
05/01/2019	755M	5.2500
05/01/2020	795M	5.0000
05/01/2021	835M	5.0000
05/01/2022	875M	5.0000
05/01/2023	920M	5.0000
05/01/2024	965M	4.5000
05/01/2025	1,010M	5.2500
05/01/2026	1,065M	4.5000
05/01/2027	1,115M	4.7500
05/01/2028	1,170M	4.7500
05/01/2029	1,230M	4.7500

TIC 4.630511

Purchase Price \$16,118,165.90

**Piper Jaffray - Minneapolis, MN**

Maturity	Amount	Coupon
05/01/2010	485M	4.0000
05/01/2011	510M	4.0000
05/01/2012	535M	4.0000
05/01/2013	565M	4.0000
05/01/2014	590M	4.0000
05/01/2015	620M	4.0000
05/01/2016	655M	4.0000
05/01/2017	685M	4.0000
05/01/2018	720M	4.0000
05/01/2019	755M	4.0000
05/01/2020	795M	4.3750
05/01/2021	835M	4.5000
05/01/2022	875M	4.5000
05/01/2023	920M	4.7500
05/01/2024	965M	4.7500
05/01/2025	1,010M	4.8750
05/01/2026	1,065M	4.8750
05/01/2027	1,115M	5.0000
05/01/2028	1,170M	5.0000
05/01/2029	1,230M	5.0000

TIC 4.630788

Purchase Price \$16,100,000.00

**Crews & Associates, Inc. - Little Rock, AR**

Maturity	Amount	Coupon
05/01/2010	485M	4.3750
05/01/2011	510M	4.3750
05/01/2012	535M	4.3750
05/01/2013	565M	4.3750
05/01/2014	590M	4.3750
05/01/2015	620M	4.3750
05/01/2016	655M	4.3750
05/01/2017	685M	4.3750
05/01/2018	720M	4.3750
05/01/2019	755M	4.1000
05/01/2020	795M	4.3000
05/01/2021	835M	4.5000
05/01/2022	875M	4.6000
05/01/2023	920M	4.7000
05/01/2024	965M	4.8000
05/01/2025	1,010M	4.8500
05/01/2026	1,065M	4.9000
05/01/2027	1,115M	5.0000
05/01/2028	1,170M	5.0000
05/01/2029	1,230M	5.0000

TIC 4.706261

Purchase Price \$16,100,136.10

**Robert W. Baird & Co., Inc. - Winston-Salem, NC**

Maturity	Amount	Coupon
05/01/2010	485M	3.5000
05/01/2011	510M	3.5000
05/01/2012	535M	3.5000
05/01/2013	565M	3.5000
05/01/2014	590M	3.5000
05/01/2015	620M	3.7500
05/01/2016	655M	4.0000
05/01/2017	685M	4.0000
05/01/2018	720M	4.0000

**UBS Securities, LLC - New York, NY**

Maturity	Amount	Coupon
05/01/2010	485M	5.5000
05/01/2011	510M	5.5000
05/01/2012	535M	4.2500
05/01/2013	565M	4.2500
05/01/2014	590M	4.2500
05/01/2015	620M	4.2500
05/01/2016	655M	5.0000
05/01/2017	685M	5.0000
05/01/2018	720M	5.0000

05/01/2019	755M	4.0000
05/01/2020	795M	4.1250
05/01/2021	835M	5.5000
05/01/2022	875M	5.5000
05/01/2023	920M	5.5000
05/01/2024	965M	5.5000
05/01/2025	1,010M	5.5000
05/01/2026	1,065M	5.5000
05/01/2027	1,115M	5.5000
05/01/2028	1,170M	5.5000
05/01/2029	1,230M	5.5000

TIC 5.052339  
 Purchase Price\$16,100,000.00

05/01/2019	755M	5.0000
05/01/2020	795M	5.0000
05/01/2021	835M	5.0000
05/01/2022	875M	5.1250
05/01/2023	920M	5.2500
05/01/2024	965M	5.3750
05/01/2025	1,010M	5.5000
05/01/2026	1,065M	5.5000
05/01/2027	1,115M	5.5000
05/01/2028	1,170M	5.6250
05/01/2029	1,230M	5.6250

TIC 5.263265  
 Purchase Price\$16,100,000.00

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REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 30<sup>th</sup> day of September, 2008, by and between THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON, the governing body of the Braxton County School District, a public school district of the State of West Virginia (the "Issuer"), and UNITED BANK, INC. Charleston, West Virginia, a state banking corporation (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$16,100,000 aggregate principal amount of Public School Bonds, Series 2008, in fully registered form (the "Bonds"), pursuant to a Resolution and Order adopted June 9, 2008, as modified on September 17, 2008(the "Resolution");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar and a Paying Agent for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Registrar's Agreement does appoint, the Registrar 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:

Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of the Registrar, all 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 exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United 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.

The Registrar 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 Registrar's 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.

The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer and the Registrar shall be fully indemnified and held harmless by the Issuer for any claims against Registrar as a result of the Registrar's following the directions of the Issuer.

As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

It is intended that this Registrar's 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 Registrar's Agreement and the Resolution the terms of the Resolution shall govern.

The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's 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.

This Registrar's Agreement may be terminated by either party upon sixty (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 Braxton County  
                                  411 Hill Road  
                                  Sutton, West Virginia 26601  
                                  Attention: Treasurer

REGISTRAR:           United Bank, Inc.  
                                  500 Virginia Street, East  
                                  Charleston, West Virginia 25301  
                                  Attention: Corporate Trust Department

The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with instructions provided by the Purchaser thereof.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON and UNITED BANK, INC., a West Virginia state banking corporation, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE BOARD OF EDUCATION OF THE  
COUNTY OF BRAXTON

By: Ernest J. Moore  
President

UNITED BANK, INC.

By: [Signature]  
Vice President





# State of West Virginia

OFFICE OF THE STATE TREASURER  
CHARLESTON, WV 25305

JOHN D. PERDUE  
STATE TREASURER

PAUL W. HILL  
ASSISTANT STATE TREASURER

1-800-422-7498  
304-558-5000  
FAX 304-558-4097  
WWW.WVSTO.COM

August 3, 2008

Ms. Marie L. Prezioso  
Director  
Raymond James  
500 Lee Street, East  
Suite 530, Laidley Tower  
Charleston, WV 25301

Re: \$16,100,000 The Board of Education of the County of Braxton, West Virginia,  
Public School Bonds, Series 2008

Dear Ms. Prezioso:

Pursuant to your request and in accordance with West Virginia Code §13-2-2, I hereby designate United Bank, Inc., of Charleston, West Virginia, to serve as Registrar and the West Virginia Municipal Bond Commission to serve as Paying Agent for the above-named issue.

If there are any questions concerning this designation, feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "John".

John D. Perdue  
State Treasurer

JDP:ba



# CHAPTER 13. PUBLIC BONDED INDEBTEDNESS.

**Article**

1. Bond Issues for Original Indebtedness.
2. Refunding Bonds.
- 2A. Revenue Bond Refinancing.
- 2B. Validation.
- 2C. Industrial Development and Commercial Development Bond Act.
- 2D. Airport Development Bond Act.
- 2E. Revenue Bond Refunding Act.
- 2F. Public Obligations Registration Act.
- 2G. State Refunding Bond Act.
3. Municipal Bond Commission.

W. Va. Law Quarterly. --- For discussion of derives, see 27 W. Va. L.Q. 84.  
Act of 1917, from which a part of this chapter

## ARTICLE 1.

### BOND ISSUES FOR ORIGINAL INDEBTEDNESS.

Sec. 13-1-1.	Political divisions authorized to issue and sell bonds.	Sec. 13-1-15.	Bonds to be payable in annual installments.
13-1-1a.	Exemption from interest rate ceilings.	13-1-15a.	Bonds may be subject to redemption.
13-1-2.	Purposes for which bonds may be issued.	13-1-16.	Recital of certification that bonds are issued in conformity with Constitution and statutes; effect thereof with attorney general's indorsement.
13-1-3.	Amount and purpose of indebtedness for which bonds may be issued.	13-1-17.	Bonds may be registered; coupon bonds may be registered as to principal.
13-1-4.	Bond issue proposal to be submitted to voters; election order.	13-1-18.	Registration of coupon bonds as to interest; exchange of registered bond for coupon bond.
13-1-5.	Engineer's estimate.	13-1-19.	Signing, sealing and delivery of bonds and coupons.
13-1-6.	Bonds may be specified for more than one purpose; single or general purpose defined.	13-1-20.	Imposition and collection of tax to pay bonds and interest.
13-1-6a.	When proceeds of bond issue specified for one project may be used for another project.	13-1-21.	Advertisement and sale of bonds.
13-1-7.	When election to be held.	13-1-22.	Purposes for which proceeds to be used; purchaser need not see to application thereof.
13-1-8.	Publication of notice of election.	13-1-23.	No law, order, ordinance, resolution, proceeding or publication necessary except as prescribed by this article.
13-1-9.	Registration of voters.	13-1-24.	Legal status of bonds.
13-1-10.	Election precincts.	13-1-25.	Copy of proceedings to be transmitted to attorney general for approval or disapproval, publication necessary except as prescribed by this article.
13-1-11.	General election laws to apply; recorders and secretaries to act in lieu of circuit clerks.		
13-1-12.	Form of ballot.		
13-1-13.	Time and manner of canvassing returns.		
13-1-14.	Resolution authorizing issuance and fixing terms of bonds.		

Sec.	Sec.	Amount of indebtedness authorized by § 13-1-3 may be increased by special act as to municipalities and independent school districts; bonds for assessments against abutting property excepted from this article.
13-1-26.	13-1-32.	Bonds exempt from taxation.
13-1-27.	13-1-33.	Bonded indebtedness of school districts; annual tax to be levied and collected to pay same; definition of value.
13-1-28.	13-1-34.	Bonded indebtedness of counties, magisterial districts and municipal corporations; levy and collection of taxes to pay same.
13-1-29.	13-1-35.	
13-1-30.		
13-1-31.		

**Michie's Jurisprudence.** — Power of municipalities to incur and pay debts, borrow money and issue bonds, 13B M.J., Municipal Corporations, §§ 31-40.  
 Power of counties to do likewise; Counties, (count.) §§ 62, 63, 69-78.  
**W. Va. Law Review.** — For note, "Municipal Bonds — The Need for Disclosure," see 78 W. Va. L. Rev. 391 (1976).  
 "Survey of Developments in West Virginia Law: 1985," 88 W. Va. L. Rev. 443 (1985).  
 This article was not repealed by § 11-8-1 et seq. — See Walker v. City of Charleston, 116 W. Va. 645, 182 S.E. 766 (1935).

**§ 13-1-1. Political divisions authorized to issue and sell bonds.**

Any county, by and through its county court [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 issue and sell its bonds, in the manner and subject to the limitations and conditions hereinafter contained in this article. (1923, c. 14, § 1.)

**Editor's notes.** — For construction of county courts as county commissions, see W. Va. Const., art. IX, § 9.  
 Acts 1933, Ex. Sess., c. 8, abolished "existing magisterial school districts and subdistricts and independent districts." See § 18-1-3.  
**Intergovernmental agreement.** — A provision of an intergovernmental agreement signed by three counties, when read in conjunction with existing statutory law, provided sufficient legal authority for the three participating counties to issue general obligation bonds to build a regional jail. Op. Atty Gen., Sept. 9, 1983, No. 19.  
 Cited in Vineyard v. Roane County Court, 92 W. Va. 51, 114 S.E. 380 (1922); State ex rel. Horne v. Adams, 154 W. Va. 269, 175 S.E.2d 193 (1970).

**§ 13-1-1a. Exemption from interest rate ceilings.**

Notwithstanding any other provision in this Code to the contrary, any municipality, county or state agency shall be free of interest rate restrictions

when obtaining loans from the farmers home administration, housing and urban development and the economic development authority where such loans are made from federal moneys and are made for public projects. It is the intention of the legislature that the political subdivisions of this State take maximum possible advantage of federal programs and financing alternatives where such would be in the best interests of this State. (1982, c. 93.)

**§ 13-1-2. Purposes for which bonds may be issued.**

Debt may be incurred and bonds issued under this article for the purpose of acquiring, constructing and erecting, enlarging, extending, reconstructing or improving any building, work, utility or undertaking, or for furnishing, equipping and acquiring or procuring the necessary apparatus for any building, work, improvement or department, or for establishing and maintaining a library or museum for the public use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theaters, or for other similar corporate purpose, for which the political division is authorized to levy taxes or expend public money. But no bonds shall be issued for the purpose of providing funds for the current expenses of any body or political division. Interest accruing during the construction period, that is to say, the time when an improvement is under construction and six months thereafter, shall be deemed a part of the cost of the improvement, and shall not be deemed current expenses. All engineering and inspection costs, including a proper proportion of the compensation, salaries and expenses of the engineering staff of the political division properly chargeable to any work or improvements, as determined by the governing body, or the estimated amount of such costs, shall be deemed part of the cost of an improvement. All costs and estimated costs of the issuance of bonds shall be deemed a part of the cost of the work or improvement, or of the property, or of the carrying out of the purposes for which such bonds are to be issued. The power to acquire or construct any building, work or improvement as herein provided shall be deemed to include the power to acquire the necessary lands, sites and rights-of-way therefor.

Bonds may also be issued by any municipality having a population of fifty thousand or more or by any county for the purpose of acquiring land and constructing a building or buildings for use and occupancy as a college. The proposal for such a bond issue shall contain a provision that there shall be created a commission or committee for the purpose of operating the building or buildings and for renting the same for an amount sufficient to pay the interest and sinking fund on the bonds proposed to be issued, and shall contain a further provision that in the event a sufficient amount is not realized from rent or rents for the purpose of meeting the debt service, then the city or county shall lay a levy for such purpose in an amount sufficient within the constitutional and statutory limitation to pay the interest and principal on such bonds as the same become due and payable. The proposal may also contain a provision that when the bonds and the interest thereon shall have been paid,

then the title to the land and the building or buildings situated thereon may be transferred to the college to which the same have been rented. (1923, c. 14, § 2; 1941, c. 8; 1945, c. 17; 1974, c. 8.)

**Cross references.** — Political divisions authorized to issue and sell bonds, § 13-1-1. Amount of the indebtedness for which bonds may be issued, § 13-1-3.

**Purposes for which proceeds to be used, § 13-1-2.**

**Editor's notes.** — Acts 1911, c. 38, § 25a, authorizing the bonding of a magisterial district for the construction of roads therein, did not contemplate bridges over large streams as a part of public roads; and it was held that an issue of magisterial district bonds under Acts 1911, c. 38, § 25a, not solely for the construction of roads in the district, but largely for the construction or purchase of bridges therein exceeding five feet in length, was illegal and void. See *Heidrick v. County Court*, 71 W. Va. 732, 77 S.E. 359 (1913).

**In general.** — It was said in the case of *Fälzgraf v. County Court*, 73 W. Va. 723, 81 S.E. 397 (1914), that the section authorizing the issuance of bonds for road improvement did not impliedly repeal Acts 1905, c. 51, limiting the indebtedness of counties, cities, school districts and municipal corporations to two and one-half percent of the assessed value of the taxable property therein.

**Bonds must be for municipal uses.** — Under Acts 1872, c. 141, § 1, which has been superseded and in some respects modified radically by this section, it was held that it was not the intention of the legislature to authorize and empower cities, towns, or municipal corporations to issue bonds for purposes other than municipal or corporate uses. *Ohio Valley Iron Works v. Town of Moundsville*, 11 W. Va. 1 (1877).

**Interest payment.** — Section specifically authorizes the use of bond proceeds to pay any

interest accruing during construction or six months thereafter. *Op. Atty Gen.*, Aug. 2, 1978.

**Refund of bond proceeds or reduction in tax levy prohibited until sufficient funds on deposit.** — Where in order to meet interest obligations due on bonds prior to first levy of taxes for payment of their principal and interest, county school board forwarded portion of bond proceeds to municipal board commission, and subsequently tax collections exceeded the amount necessary to meet present principal and interest payments and would be sufficient to pay future obligations, the municipal bond commission could not refund any part of bond proceeds forwarded to the commission by the county board of education nor reduce the taxes to be levied below that sum required by § 13-1-34 until such time as sufficient funds were on deposit with the commission to pay interest accruing in all subsequent years and to retire the bonds; however, after retirement of all bonds, any balance in the account could be refunded. *Op. Atty Gen.*, Aug. 2, 1978.

**Courthouse.** — As to financing of new courthouses, see 45 *Op. Atty Gen.* 409 (1953).

**Dam.** — Where a proposed multiple purpose dam will be constructed, operated and owned by the federal government, which will purchase the property necessary for such project along with any easements and rights-of-way which are needed, the project, upon completion, will not be the property of the county; hence, under the provisions of this chapter, a county court (now county commission) cannot be authorized to issue and sell its general obligation bonds therefor. 47 *Op. Atty Gen.* 294 (1957).

**School textbooks.** — A county board of education is not authorized to incur indebtedness by the issuance of general obligation bonds for the purpose of purchasing school textbooks for students. 51 *Op. Atty Gen.* 323 (1965).

**Cited in State ex rel. *Pardue v. County Court***, 105 W. Va. 235, 141 S.E. 874 (1928).

**§ 13-1-3. Amount and purpose of indebtedness for which bonds may be issued.**

No political division authorized by this article to issue bonds, except county boards of education, shall by any bond issue, become indebted to an amount, including all other indebtedness, exceeding two and one-half percent of the value of the taxable property therein, as shown by the last assessment thereof, for state and county purposes, next prior to the issuing of such bonds: Provided, that any county for the erection and equipment of a courthouse and/or jail for such county, with funds borrowed from the government of the United States or any governmental agency, federal or state, and any municipal corporation of three hundred inhabitants or more, for the purpose of grading, paving, sewerage, and otherwise improving or reimpoving its streets and alleys, or for establishing and maintaining a library or museum for the public

use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theatres, may become indebted and issue bonds in an additional sum not exceeding two and one-half percent of the value of the taxable property therein, ascertained as aforesaid: Provided, however, That no county board of education authorized by this article to issue bonds, shall, by any bond issue, become indebted, in any manner, or for any purpose, to an amount, including all other indebtedness, in the aggregate, exceeding five percent on the value of the taxable property therein, in the county school district to be ascertained by the last assessment for state and county taxes, previous to the incurring of such indebtedness, in the manner provided by the "School Bond Amendment," as ratified.

The term "sewerage" as used herein shall be treated in a comprehensive sense, so as to include all mains, laterals, connections, traps, incinerating and disposal plants, and other necessary and convenient accessories to a modern sanitary and efficient sewerage system and shall include storm sewers.

The county court [county commission] of any county is hereby authorized and empowered to negotiate and sell to the government of the United States or to any governmental agency, federal or state, at private sale, at not less than par any bonds issued for the purpose of erecting and equipping a courthouse or other public buildings for such county, under and by virtue of this article, without first offering them for sale at public auction, or to any other person or agency. (1923, c. 14, § 3; 1925, c. 42; 1927, c. 58; 1931, c. 36; 1935, c. 21; 1941, c. 8; 1945, c. 17; 1951, c. 153; 1974, c. 8.)

**Cross references.** — Tax limitation amendment. *v. County Court*, 115 W. Va. 187, 174 S.E. 878 (1934), holding that constitutional and statutory limitations on the indebtedness of distinct political divisions apply distributively and not collectively.

**Editor's notes.** — For construction of county courts as county commissions, see *W. Va. Const.*, art. IX, § 9.

**Constitutionality.** — A similar act, Acts 1905, c. 51, limiting the indebtedness of counties, cities, school districts and municipal corporations to two and one-half percent of the assessed value of the taxable property therein was held not to be in conflict with *W. Va. Const.*, art. X, § 8. *Fälzgraf v. Wood County Court*, 73 W. Va. 723, 81 S.E. 397 (1914). See also *Sanders v. Partlow*, 126 W. Va. 232, 27 S.E.2d 829 (1943).

**§ 13-1-4. Bond issue proposal to be submitted to voters; election order.**

No debt shall be contracted or bonds issued under this article until all questions connected with the same shall have been first submitted to a vote of the qualified electors of the political division for which the bonds are to be issued, and shall have received three fifths of all the votes cast for and against the same. The governing body of any political division referred to in this article may, and when requested so to do by a petition in writing, praying that bonds

be issued and stating the purpose and amount thereof, signed by legal voters of the political division equal to twenty percent of the votes cast in a county or magisterial district for governor, or in a municipal corporation or school district for mayor or members of the board of education, as the case may be, shall, by order entered of record, direct that an election be held for the purpose of submitting to the voters of the political division all questions connected with the contracting of debt and the issuing of bonds. Such order shall state:

- (a) The necessity for issuing the bonds, or, if a petition has been filed as provided herein, that such petition has been filed;
- (b) If for the construction of a county-district road or bridge thereon, a summary of the engineer's report provided for in the following section [§ 13-1-5] setting forth the approximate extent and the estimated cost of the proposed improvement, and the kind or class of work to be done thereon;
- (c) Purpose or purposes for which the proceeds of bonds are to be expended;
- (d) Valuation of the taxable property as shown by the last assessment thereof for state and county purposes;
- (e) Indebtedness, bonded or otherwise;
- (f) Amount of the proposed bond issue;
- (g) Maximum term of bonds and series;
- (h) Maximum rate of interest;
- (i) Date of election;
- (j) If a special election, names of commissioners for holding same;
- (k) If registration of voters is necessary, notice of the time, place and manner of making same;

(l) That the levying body is authorized to lay a sufficient levy annually to provide funds for the payment of the interest upon the bonds and the principal at maturity, and the approximate rate of levy necessary for this purpose;

(m) In the case of school bonds, that such bonds, together with all existing bonded indebtedness, will not exceed in the aggregate five percent of the value of the taxable property in such school district ascertained in accordance with section 8, article X of the Constitution; and that such bonds will be payable from a direct annual tax levied and collected in each year on all taxable property in such school district sufficient to pay the principal and the interest maturing on such bonds in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart 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; and said tax may be levied outside the limits fixed by section 1, article X of the Constitution.

Any other provision which does not violate any provision of law, or transgress any principle of public policy, may be incorporated in the order. (1923, c. 14, § 4; 1951, c. 153; 1959, c. 132.)

**Cross references.** — Certain bond issues to which this section is inapplicable, § 11-8-16. **Constitutionality.** — That West Virginia 1-14 and § 11-8-16, applicable to all bond

referenda and increases in taxes, by which the strong consensus of three fifths is required before indebtedness is authorized, does not violate the equal protection clause or any other provision of the United States Constitution. *Gordon v. Lance*, 403 U.S. 1, 91 S. Ct. 1889, 29 L. Ed. 2d 273 (1971).

The supreme court of the United States in *Gordon v. Lance*, 403 U.S. 1, 91 S. Ct. 1889, 29 L. Ed. 2d 273 (1971), reversed the judgment of the West Virginia supreme court of appeals which held unconstitutional W. Va. Const., art. X, §§ 1 and 8, and § 11-8-16, this section, and § 13-1-14, because violative of the equal protection clause of the Constitution of the United States. *State ex rel. Heavener v. Perry*, 155 W. Va. 353, 184 S.E.2d 136 (1971).

*West Va. Const.*, art. X, §§ 1 and 8, singles out no discrete and insular minority for special treatment. The three-fifths voting requirement applies equally to all bond issues and tax increases for any purpose, whether for schools, sewers, or highways. *Gordon v. Lance*, 403 U.S. 1, 91 S. Ct. 1889, 29 L. Ed. 2d 273 (1971).

**Construction.** — This section is clear and unambiguous. *State ex rel. Elliott v. Adams*, 155 W. Va. 110, 181 S.E.2d 276 (1971).

**Section mandatory.** — This section, which provides, *inter alia*, that a city council, when requested by petition signed by legal voters as provided therein, shall direct that an election be held to determine all questions connected with the contracting of debt and the issuing of bonds, is mandatory, and, upon the refusal by a city council to comply with those mandatory terms, where all the provisions of the statute have been complied with, mandamus lies to compel the calling of such election and the submission of such question. *State ex rel. Elliott v. Adams*, 155 W. Va. 110, 181 S.E.2d 276 (1971).

Where a valid petition is submitted to a city council in a proper case, that body has a mandatory duty to submit the question to the voters of the city in accordance with the provisions of this section. *State ex rel. Elliott v. Adams*, 155 W. Va. 110, 181 S.E.2d 276 (1971).

**Mandamus.** — Mandamus is the proper remedy to compel a city council to submit a question to the voters where the law provides for such submission and council refused to do so. *State ex rel. Elliott v. Adams*, 155 W. Va. 110, 181 S.E.2d 276 (1971).

When the requisite number of signatures is contained upon a valid petition, mandamus will lie to compel the council to submit the question to the voters at an election where the council has refused to adopt the ordinance or submit the question to the voters of the municipality. *State ex rel. Elliott v. Adams*, 155 W. Va. 110, 181 S.E.2d 276 (1971).

Mandamus will lie to require a city council, upon the filing of a proper petition, to submit

the question to the voters of the city, and even though the ordinance, if passed, would carry with it fatal infirmities, it would go into operation, if adopted, and become legally advantageous to the relators in mandamus. *State ex rel. Elliott v. Adams*, 155 W. Va. 110, 181 S.E.2d 276 (1971).

Where petitioners file a petition before a city council requesting that the council undertake procedure to submit a bond issue to a vote of the people in accordance with a provision of a city charter and the council fails to give petitioners the relief sought under the charter provisions, such petitioners cannot by mandamus proceeding later force the council to proceed in accordance with an initiative provision of a general state law with which the council was not in the beginning asked by proper petition to comply. In such a situation, there is not a clear legal right to the issuance of a writ. *State ex rel. Horne v. Adams*, 154 W. Va. 269, 175 S.E.2d 193 (1970).

**Refunding bonds.** — The rule that refunding bonds do not create a new debt and, therefore, may be issued without voter approval under W. Va. Const., art. X, §§ 8, 10, is subject to certain qualifications: First, the amount of refunding bonds cannot increase the total indebtedness authorized by the voters on the original bond issue; secondly, refunding bonds ordinarily may not be liquidated over a period longer than authorized for the original bond issue, and thirdly, the aggregate of the principal and interest payments made on the original bonds prior to their refunding, when added to the amounts to be paid on the refunding bonds and any outstanding original bonds that are issued but not refunded, cannot exceed the original indebtedness authorized by the voters. *Board of Educ. v. Slack*, 174 W. Va. 437, 327 S.E.2d 416 (1985).

**Valuation for bond levy purposes.** — It is apparent from this section that the special bond levy is set annually based upon the current year's appraised values. *Board of Educ. v. Slack*, 174 W. Va. 437, 327 S.E.2d 416 (1985).

**This article contemplates general obligation bonds.** — See 46 Op. Atty. Gen. 337 (1955).

**Authority to issue revenue bonds cannot be given by affirmative vote.** — Authority of the county court (now county commission) to issue revenue bonds for the construction of an armory cannot be given by an affirmative vote of the voters of the county, such authority can only be given by appropriate legislative action. 46 Op. Atty. Gen. 337 (1955).

**Method of financing.** — The method of financing known as the "restricted special fund" theory, has been upheld by an almost unbroken line of authorities. The legislature has recently adopted the "broad special fund" theory of subjecting the revenues from the entire system to the payment of bonds issued

for the improvement and extension of an existing water plant. The validity of such legislation is now recognized in almost all jurisdictions. *Casto v. Town of Ripley*, 114 W. Va. 668, 173 S.E. 886 (1934).

**Approval of bond issue in an amount in excess of that permitted by law.** — County bonds in an amount which can be paid from legal maximum levies as part of a proposed issue of bonds of an aggregate in excess of the limits permitted by law are not valid and cannot be issued or used to complete a different and less costly project than the project specified in the proposed issue submitted to voters and the completion of which would require the proper expenditure of the entire principal amount of the proposed issue. *State ex rel. County Court v. Partlow*, 130 W. Va. 777, 45 S.E.2d 506 (1947).

**Notice of indebtedness requirement.** — The requirement that voters be correctly advised as to all existing indebtedness is mandatory and calls for the utmost good faith in its compliance on the part of the county court (now county commission). *Sessler v. Partlow*, 126 W. Va. 232, 27 S.E.2d 829 (1943).

Under this section, the failure of a county court (now county commission) to include in its

order calling an election to vote on a proposed issue of county bonds, a statement of the amount of an existing overdraft in the county fund, not provided for out of the levies of the current fiscal year, renders void the election held thereunder, and the issue of bonds attempted to be authorized thereby. *Sessler v. Partlow*, 126 W. Va. 232, 27 S.E.2d 829 (1943).

**Order submitting bond issue must state approximate rate of levy needed for sinking fund requirements.** — This section requires that an order submitting the approval or disapproval of a bond issue to a vote of the people state the approximate rate of levy necessary to meet the sinking fund requirements, and this rate of levy must be substantially complied with. *Baxa v. Partlow*, 132 W. Va. 859, 54 S.E.2d 825 (1949).

**Rates of levy.** — The rates of levy adopted by the people at a bond election are binding and where a subsequent order expressly provided that this rate could be exceeded, the provision in the order was invalid and of no effect. *Baxa v. Partlow*, 132 W. Va. 859, 54 S.E.2d 825 (1949).

**Stated in Appalachian Power Co. v. County Court**, 146 W. Va. 118, 118 S.E.2d 531 (1961).

**Cited in State ex rel. Todd v. Steen**, 106 W. Va. 325, 145 S.E. 602 (1928).

### § 13-1-5. Engineer's estimate.

Before ordering an election on the question of issuing bonds to construct a county-district road or bridge, whether acting on its own motion or on petition, the county court [county commission] shall instruct the county road engineer, or some other engineer designated by it for the purpose, to make an investigation and furnish to the court an estimate of the probable cost of the proposed improvement. (1923, c. 14, § 5.)

**Editor's notes.** — For construction of county courts as county commissions, see W. Va. Const., art. IX, § 9.

### § 13-1-6. Bonds may be specified for more than one purpose; single or general purpose defined.

The order or ordinance submitting the proposition of issuing bonds to a vote may specify more than one purpose for which bonds are to be issued: Provided, That the amount of the proceeds of the issue to be used for each purpose shall also be specified therein: Provided further, That all expenditures, including but not limited to expenditures for the acquisition of sites, the construction, erection, equipping and furnishing of one or more buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, and the relocation, alteration, renovation or enlargement of any existing buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, for the same general purpose shall be construed to be a single purpose within the meaning of this section. It shall

not be necessary to specify in the order or ordinance submitting the proposition the amount of the proceeds of such bond issue to be used for each such site, building, structure, improvement or facility, or group of buildings, structures, improvements or facilities, which are a part of the same general purpose and it shall be sufficient compliance with this section if such order or ordinance state only the general purposes for which bonds are to be issued and the amount of the proceeds of such issue to be used for each such general purpose. (1923, c. 14, § 6; 1965, c. 125.)

**Amounts for several projects must be specified.** — A city bond issue for different projects cannot be sustained unless the ordinance which submitted the proposed issue to a vote of the people clearly specified the amounts to be used for the several projects, respectively. *State ex rel. Davenport v. Meadows*, 120 W. Va. 602, 199 S.E. 883 (1938).

**Substantial variance invalidates issue.** — In the submission to a vote of the people of a proposed bond issue embracing several municipal projects, the amounts specified in the ordinance for the projects, respectively, shall also be set forth in the ballot, and a substantial variance will invalidate the issue. *State ex rel. Davenport v. Meadows*, 120 W. Va. 602, 199 S.E. 883 (1938); *Jarrell v. Board of Educ.*, 131 W. Va. 702, 50 S.E.2d 442 (1948).

**Diversion of funds prohibited.** — A city may not use the balance of \$200,000, remaining after the completion of the first five individual projects contained in a bond issue, for the purpose of implementing the total amount available for project number six. Such action, if carried into effect, would constitute a diversion of the funds, which the law forbids. 47 Op. Atty Gen. 33 (1956).

**Airports.** — Only one purpose was contemplated by county court (now county commission) where it had in mind to "establish, acquire and construct an airport. . . ." and to submit to the voters the question of issuing bonds. Hence, it was not a case coming within the requirements of this section. *Sessler v. Partlow*, 126 W. Va. 232, 27 S.E.2d 829 (1943).

### § 13-1-6a. When proceeds of bond issue specified for one project may be used for another project.

If the order or ordinance submitting the proposition of issuing bonds to a vote specifies several projects within the same general purpose and the amount of the proceeds of such issue to be used for each project and for any reason one or more of said projects cannot be constructed, carried out, or completed, the amount of money specified for such projects and any sums remaining unused upon completion of any one of the specified projects may be allocated by the governing body in its discretion to and expended for any one or more of the remaining projects specified in said order or ordinance if said order or ordinance of submission shall contain a provision authorizing it to do so. (1965, c. 126.)

### § 13-1-7. When election to be held.

Elections for the purpose of voting upon questions of issuing bonds may be held at any general, primary, or special election which the fiscal body in its order submitting the same to a vote may designate, except that, when a petition is filed asking that bonds be issued, the fiscal body with which the same is filed, if it be not designated in the petition that the election shall be held at a general or primary election, shall order a special election to be held within sixty days from the date of the filing of such petition; or, if it be a petition for bonds for the construction of county-district roads or bridges thereon, the election shall be held within sixty days from the filing of the

engineer's report as provided for in section five [§ 13-1-5] of this article. (1923, c. 14, § 7.)

**Questions at special election designated for consideration of constitutional amendments limited.** — When the legislature, by law, designates that one or more proposed amendments are to be submitted to the voters at a special election, it would be unconstitutional and prohibited for the voters of any county to consider the question(s) of whether or not to authorize a county board of education to borrow money by issuing general obligation bonds and/or to lay an excess levy at an election called by a county school board to be held on the same day as that already designated by the legislature for holding a special election for voters to vote on one or more constitutional amendments. *Op. Atty Gen., Apr. 9, 1973.*

**§ 13-1-8. Publication of notice of election.**

Notice of all bond elections shall be given by publication, within fourteen consecutive days next preceding the date of the election, of the order provided for in section four [§ 13-1-4] of this article as a Class II-0 legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the political division in which the election is to be held. (1923, c. 14, § 8; 1967, c. 105.)

**Editor's notes.** — By Acts 1921, c. 112, § 106, it was provided that the clerk shall "forthwith" in a conspicuous place in his office and at the front door of the courthouse post the order of notice, and under such section it was held that a notice of a bond issue to build a road, seven days after the order and thirty days before the election, was posted "forthwith" as required by the section. See *Vineyard v. County Court*, 92 W. Va. 51, 114 S.E. 380 (1922).

**Section liberally construed.** — Under this section a liberal rather than a technical rule of construction should be applied. *Stanley v. Kanawha County Court*, 84 W. Va. 619, 100 S.E. 408 (1919).

**Continuous publication.** — Where a publication is required "for" a given number of days or weeks, it must be for each day or week for the required number of days or weeks, thereby giving force to the preposition "for" and distinguishing that class of statutes from those where continuity is not contemplated or so indicated by the use of the preposition. *Stanley v. Kanawha County Court*, 84 W. Va. 619, 100 S.E. 408 (1919).

**Stated in Board of Educ. v. Slack, 174 W. Va. 437, 327 S.E.2d 416 (1985).**

**§ 13-1-9. Registration of voters.**

The registration of voters and the use of registration books prescribed by general law shall be applicable to any election under this chapter. (1923, c. 14, § 9.)

**Cross references.** — General law pertaining to registration of voters, §§ 3-2-1 et seq.

**§ 13-1-10. Election precincts.**

Elections for bond issues for counties, districts and school districts shall be held at the voting precincts established for holding general elections; for municipalities, at the precincts established for the election of municipal officers; and for independent school districts, at the precincts used for voting for boards of education. (1923, c. 14, § 10.)

**§ 13-1-11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks.**

All the provisions of the general election laws of this State concerning general, primary or special elections, when not in conflict with the provisions of this article, shall apply to bond elections hereunder, insofar as practicable: Provided, That in bond elections for municipalities, school or independent school districts, the recorders and secretaries, respectively, shall procure and furnish to the election commissioners at each voting precinct the ballots, pollbooks, tally sheets and other things necessary for conducting the election, and perform all duties imposed by law upon clerks of the circuit courts in relation to general elections. (1923, c. 14, § 11.)

**ALR references.** — Rescission of vote authorizing school district or other municipal bond issue, expenditure, or tax, 68 ALR2d 1041.

**Inspection of polling places.** — The secretary of state, as chief election official under § 3-1A-6, and his designates are allowed to enter polling places on election day in an effort to ensure that an election is running smoothly and without error or fraud. *Op. Atty Gen., Oct. 22, 1979.*

**Certification of election officials.** — County board of education is the proper body to certify election officials for general obligation bond issue election. 47 *Op. Atty Gen.* 158 (1987).

**County court (now county commission) to conduct recount.** — In the absence of any conflicting statute, and under the provisions of this section and § 3-6-9, the county court (now county commission), as a board of canvassers of the county, is vested with the power and authority to recount the ballots cast at a special bond election in the county and is the proper governmental instrumentality to conduct such

recount. *State ex rel. Bumgarner v. County Court*, 147 W. Va. 52, 125 S.E.2d 883 (1962).

**Recount must be prompt.** — The county court (now county commission), as the board of canvassers of the county, being vested with the power and authority to conduct a recount of the ballots cast at special bond elections, is subject to the duty to conduct such recount promptly and without unnecessary delay and to comply with the public policy of the State which requires diligent and timely action by officers, boards, tribunals and courts in ascertaining, declaring and certifying the final results of an election. *State ex rel. Bumgarner v. County Court*, 147 W. Va. 52, 125 S.E.2d 883 (1962).

**Duty to provide polling place.** — The duty to provide polling places in special elections for school purposes is imposed solely upon the county court (now county commission) and not the board of education. *Op. Atty Gen.*, July 25, 1969.

**Applied in Mingo County Taxpayers Ass'n v. Board of Educ.**, 122 W. Va. 109, 7 S.E.2d 656 (1940).

**§ 13-1-12. Form of ballot.**

The ballots to be used at elections under this article shall be in substantially the following form:

Shall ..... (name of political division) incur debt and issue bonds to the amount of \$....., to run not more than ..... years from the date thereof, with interest not exceeding the rate of ..... percent per annum, for the purpose of ....., and levy taxes sufficient to pay the interest on and the principal of such bonds.

- Yes.
- No.

**NOTICE TO VOTERS:** To vote in favor of the proposition submitted on this ballot, place an X mark in the square before the word "Yes."

To vote against it, place a similar mark before the word "No." (1923, c. 14, § 12.)

**Failure of municipality to use ballot prescribed does not invalidate election.** — Failure to use the form of ballot prescribed by this section, in an election held by a municipality upon the question of the issuance of municipal bonds for street improvement to be paid for in whole or in part by assessment against abutting property, does not render the election invalid. *Sexton v. Lee*, 100 W. Va. 389, 130 S.E. 437 (1925).

### § 13-1-13. Time and manner of canvassing returns.

The authorities calling bond elections shall canvass the returns at the same time with reference to the election and in the same manner as is required of county courts [county commissions] for general elections. (1923, c. 14, § 13.)

**Editor's notes.** — For construction of county courts as county commissions, see *W. Va. Const.*, art. IX, § 9.

**Authority to canvass returns.** — The county board of education is authorized to canvass the returns of a general obligation bond issue election. 47 Op. Atty Gen. 158 (1957).

**Quoted in** *Park v. Landfried*, 135 W. Va. 361, 63 S.E.2d 586 (1951).

### § 13-1-14. Resolution authorizing issuance and fixing terms of bonds.

If three fifths of all the votes cast for and against the proposition to incur debt and issue negotiable bonds shall be in favor of the same, the governing body of the political division shall, by resolution, authorize the issuance of such bonds in an amount not exceeding the amount stated in the proposition; fix the date thereof; set forth the denominations in which they shall be issued, which denominations shall be one hundred dollars or multiples thereof; determine the rate or rates of interest which the bonds shall bear, which rate or rates of interest shall be within the maximum rate stated in the proposition submitted to vote and payable semiannually; prescribe the medium with which the bonds shall be payable; require that the bonds shall be made payable at the office of the state treasurer and at such other place or places as the body issuing the same may designate; provide for a sufficient levy to pay the annual interest on the bonds and the principal at maturity; fix the times within the maximum period, as contained in the proposition submitted to vote, when the bonds shall become payable, which shall not exceed thirty-four years from the date thereof; determine whether all or a portion of the bonds shall be subject to redemption prior to the maturity thereof and, if so, the terms of the redemption; and prescribe a form for executing the bonds authorized. (1923, c. 14, § 14; 1970, c. 9; 1980, c. 33; 1981, 1st Ex. Sess., c. 2; 1990, 3rd Ex. Sess., c. 5; 1994, c. 13; 1998, c. 320.)

**Effect of amendment of 1998.** — The amendment, effective March 13, 1998, substituted "the state treasurer" for "the state board of investments." The supreme court of West Virginia reversed the judgment of the West Virginia supreme court of appeals which held unconstitutional *W. Va. Const.*, art. X, §§ 1 and 8, and §§ 11-8-16, 13-1-4 and this section, because violative of the equal protection clause

of the Constitution of the United States. State ex rel. *Heavener v. Perry*, 155 W. Va. 353, 184 S.E.2d 136 (1971).

That West Virginia has adopted a rule of decision in *W. Va. Const.*, art. X, §§ 1 and 8, and in § 13-1-4, this section, and § 11-8-16, applicable to all bond referenda and increases in taxes, by which the strong consensus of three fifths is required before indebtedness is authorized, does not violate the equal protection clause or any other provision of the United States Constitution. *Gordon v. Lance*, 403 U.S. 1, 91 S. Ct. 1889, 29 L. Ed. 2d 273 (1971).

*West Va. Const.*, art. X, §§ 1 and 8, singles out no discrete and insular minority for special treatment. The three-fifths voting requirement applies equally to all bond issues and tax increases for any purpose, whether for schools, sewers, or highways. *Gordon v. Lance*, 403 U.S. 1, 91 S. Ct. 1889, 29 L. Ed. 2d 273 (1971).

**Variance in interest rates.** — Issuance of different blocks, amounts, or series of bonds of a total authorized bond issue, may have variance

in the coupon interest rates, provided none of the interest rates exceed the maximum authorized interest rate. 45 Op. Atty Gen. 303 (1953).

**Issuance of less than total amount authorized.** — Under this section, relating to an original bond issue, it appears that the legislature intended that a bond-issuing authority could issue less than the total amount of bonds authorized at the election, if under all the circumstances the projects authorized by the voters can still be completed. *Board of Educ. v. Slack*, 174 W. Va. 437, 327 S.E.2d 416 (1985).

**Registration of bonds.** — This section and § 13-2-2, which authorize a bond-issuing authority to have bonds payable at the office of the treasurer of state and at such other places that the bond-issuing authority may designate, provide sufficient authority to permit the bonds to be registered at the place of payment. *Board of Educ. v. Slack*, 174 W. Va. 437, 327 S.E.2d 416 (1985).

### § 13-1-15. Bonds to be payable in annual installments.

Such bonds shall be made payable in annual installments beginning not more than two years after the date thereof, and the amount payable in each year may be so fixed that, when the annual interest is added to the principal amount to be paid, the total amount payable in each year in which part of the principal is payable shall be as nearly equal as practicable. It shall be an immaterial variance if the difference between the largest and smallest amounts of principal and interest payable annually during the term of the bonds shall not exceed three percent of the total authorized issue. Or, such bonds may be payable in annual installments beginning not more than two years after the date thereof, each installment being as nearly equal in principal amount as may be practicable. (1923, c. 14, § 14.)

### § 13-1-15a. Bonds may be subject to redemption.

All or a portion of such 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 section fourteen [§ 13-1-14] of this article. The body issuing the bonds may not levy taxes in connection with the redemption of any bonds in excess of the taxes that would have been levied for the payment of principal of and interest on such bonds in such year. (1994, c. 13.)

### § 13-1-16. Recital of certification that bonds are issued in conformity with Constitution and statutes; effect thereof with attorney general's indorsement.

The resolution authorizing the bonds provided for in section fourteen

[§ 13-1-14] of this article may direct that they 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."

Such recital, when such bonds shall have been indorsed by the attorney general as provided in section twenty-eight [§ 13-1-28] of this article, shall be deemed an authorized declaration by the governing body of the political division and to import that there is constitutional and statutory authority for incurring the debts and issuing the bonds; that all the proceedings therefor are regular; that all the acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds, have existed, happened and been performed in due time, form and manner as required by law; that the amount of the bond and the issue of which it forms a part, together with all other indebtedness, does not exceed any limit or limits prescribed by the Constitution or statutes of this State; and that all questions connected with incurring the debt and issuing the bonds have been first submitted to a vote of the people and have received three fifths of all the votes cast for and against the same at an election regularly called and held for the purpose after notice published and posted in the manner required by law. If any bond be issued containing the said recital, and also containing the indorsement of the attorney general as aforesaid, it shall be conclusively presumed that said recital, construed according to the import hereby declared, is true, and neither the political division nor any taxpayer thereof shall be permitted to question the validity or regularity of the obligation in any court or in any action or proceeding. (1923, c. 14, § 15.)

### § 13-1-17. Bonds may be registered; coupon bonds may be registered as to principal.

The bonds issued hereunder may be registered or coupon bonds. Coupon bonds may be registered as to the principal in the owner's name by the state treasurer on books which shall be kept at its office for the purpose and the registration shall also be noted on the bonds, after which no transfer shall be valid unless made by the state treasurer on the books of registration and similarly noted on the bonds. Bonds registered as to principal may be discharged from registration by being transferred to bearer, after which they shall be transferable by delivery; but may again, and from time to time, be registered as to the principal amount as before. The registration of coupon bonds as to the principal sum shall not affect the negotiability of the interest coupons, but title to the same shall pass by delivery. (1923, c. 14, § 16; 1990, 3rd Ex. Sess., c. 5; 1998, c. 320.)

**Effect of amendment of 1998.** — The amendment, effective March 14, 1998, twice substituted "the state treasurer" for "the state board of investments."

**Quoted in Board of Educ. v. Slack, 174 W. Va. 437, 327 S.E.2d 416 (1985).**

### § 13-1-18. Registration of coupon bonds as to interest; exchange of registered bond for coupon bond.

Coupon bonds may also be registered as to the interest by the holder surrendering the bonds with the unpaid coupons attached, which bonds and coupons shall be canceled by the state treasurer. New bonds of the same date and tenor and for the same amounts as the bonds surrendered, or, at the option of the holder, a single bond for the aggregate amount of the bonds surrendered, but without interest coupons attached, shall be issued in the place of the coupon bonds and registered in the manner required in the preceding section. A registered bond may at any time be surrendered and be exchanged by the holder for a coupon bond by the holder delivering the registered bond to the state treasurer who shall cancel the same and who shall cause a new bond of the same date and tenor and for the same amount to be issued, and with interest coupons for the interest thereafter to accrue thereon attached, and deliver the same to the holder of the surrendered bond. The governing body of the county, municipal corporation or school district which issued the original bond shall issue and execute the new bond required by this section and shall pass the resolutions and ordinances necessary to authorize the same. The expense of such registration shall in all cases be paid by the holder of the bonds. (1923, c. 14, § 17; 1990, 3rd Ex. Sess., c. 5; 1998, c. 320.)

**Effect of amendment of 1998.** — The first and third sentences, substituted "the state amendment, effective March 14, 1998, in the treasurer" for "the state board of investments."

### § 13-1-19. Signing, sealing and delivery of bonds and coupons.

All bonds issued under this article by any county shall be signed by the president of the county court [county commission] and countersigned by the clerk of such court; bonds issued by any municipality shall be signed by the mayor or other chief executive and countersigned by the clerk, recorder or secretary; bonds issued by a district or independent school district shall be signed by the president of the board of education and countersigned by the secretary thereof. The seal of the political division shall be affixed to such bonds. Interest coupons shall be signed by the facsimile signatures of such officers. The delivery of any bonds or coupons so executed at any time thereafter shall be valid, although before the date of delivery the person signing such bonds or coupons shall have ceased to hold office. (1923, c. 14, § 18.)

**Editor's notes.** — For construction of county magisterial school districts and subdistricts courts as county commissions, see *W. Va. and independent districts.*" See § 18-1-3. Const., art. IX, § 9. Cited in Board of Educ. v. Slack, 174 W. Va. Acts 1983, Ex. Sess., c. 8, abolished "existing 437, 327 S.E.2d 416 (1985).

**§ 13-1-20. Imposition and collection of tax to pay bonds and interest.**

It shall be the duty of the governing body of any political division, at or before the time of issuing bonds under this article, to provide for the imposition and collection annually of a tax, in excess of all other taxes, on all property subject to taxation by the political division under the Constitution and laws of this State, sufficient in amount to pay annually the interest on such debt and the principal thereof falling due in each year, such tax to be levied and collected by the same officers, at the same time and in the same manner as the general taxes of the political division. Should any political division neglect or fail for any reason to impose or collect such tax for the payment of the principal or interest of any bonded indebtedness incurred under this article, any person in interest or the state tax commissioner may enforce the imposition and collection thereof in any court having jurisdiction of the subject matter, and any suit, action or proceeding brought for such purpose shall be heard and disposed of with reasonable dispatch. (1923, c. 14, § 19.)

**Rate adjustments.** — This section appears including retirement of principal. Board of to permit annual adjustments to the levy rates, Educ. v. Slack, 174 W. Va. 437, 327 S.E.2d 416 if necessary, to meet the annual bond interest. (1985).

**§ 13-1-21. Advertisement and sale of bonds.**

The governing body of the political division issuing such bonds shall sell the same and collect the proceeds, which proceeds shall be deposited with its treasurer. The governing body of the political division shall advertise such bonds for sale, on sealed bids, which advertisement shall be published as a Class II legal advertisement in compliance with the provisions of article three §§ 59-3-1 et seq., chapter fifty-nine of this code, and the publication area for such publication shall be the political division. The first publication shall be made at least fourteen days before the date fixed for the reception of bids. Such advertisement shall also be published in a financial paper published either in the city of New York or the city of Chicago, or in a newspaper published in a city of this state having a population of not less than twenty thousand inhabitants, according to the last federal census. The governing body may reject any and all bids. If the bonds be not sold pursuant to such advertisement, they may within one hundred twenty days after the date advertised for the reception of bids, be sold by the governing body at private sale, but no private sale shall be made at a price less than the highest bid which shall have been received. If not sold, such bonds shall be readvertised in the manner herein provided. In no event shall bonds be sold for less than their par value. (1923, c. 14, § 20; 1967, c. 105; 1981, 1st Ex. Sess., c. 2; 1992, c. 29.)

**Discount sales.** — A discount sale of a refunding bond is not prohibited. Board of Educ. v. Slack, 174 W. Va. 437, 327 S.E.2d 416 (1985).

**§ 13-1-22. Purposes for which proceeds to be used; purchaser need not see to application thereof.**

The proceeds derived from the sale of any bonds shall be used only for the purpose or purposes for which the bonds were issued as set out in the order or ordinance submitting the question to vote, but the purchaser of the bonds shall not be obliged to see to the application thereof. (1923, c. 14, § 21.)

**Limitations not forbidden by fundamental law may be imposed on expenditures.** — The board of education may place upon the expenditure of funds any limitations or restrictions not forbidden by the fundamental law in the original order and bond ballot. 46 Op. Atty Gen. 375 (1956).

Hence, it was legal and proper for a county board of education to use the proceeds designated for "Simmons" in a bond issue election for the necessary expansion of facilities at several schools in the "Simmons" community. 46 Op. Atty Gen. 375 (1956).

**Authority to designate location of municipal park when bond issue does not so provide.** — See 45 Op. Atty Gen. 426 (1953).

**Bond recitals control for holders in due course.** — A municipal corporation is estopped by recitals in bonds to assert, as against a holder in due course, that the recitals were false or incorrect. St. Paul Fire & Marine Ins. Co. v. Town of Monongah, 209 F. Supp. 514 (N.D.W. Va. 1962).

**Expenditures for approved purposes only.** — A county court (now county commission) may not expend proceeds of a bond issue made under the provisions of article 1 of this chapter for purposes other than those specifically approved by the voters of that county. Op. Atty Gen., May 28, 1969.

**§ 13-1-23. No law, order, ordinance, resolution, proceeding or publication necessary except as prescribed by this article.**

This article shall, without reference to any other act of the legislature, be full authority for the issuance and sale of bonds in this article authorized. No order, ordinance, resolution or proceeding in respect to the issuance of any bond under this article shall be necessary, except such as are required by this article. No publication of any order, ordinance, resolution or proceeding relating to the issuance of such bonds shall be necessary except such as is required by this article. Any publication prescribed hereby may be made in any newspaper conforming to the terms of this article, without regard to designation thereof as the official journal of the political division. (1923, c. 14, § 22.)

**§ 13-1-24. Legal status of bonds.**

Bonds issued under this article, except to the extent that their status shall be affected by registration made in pursuance of this article, shall have all the qualities of negotiable paper under the law merchant and shall not be invalid for any irregularity or defect in the proceedings for the issuance thereof, and shall be incontestable in the hands of bona fide purchasers or holders thereof for value. (1923, c. 14, § 23.)

**§ 13-1-25. Copy of proceedings to be transmitted to attorney general for approval or disapproval; publication of approval or disapproval.**

The governing body of any political division issuing bonds under this article shall, as soon as practicable after the result of the election authorizing their

issuance shall have been officially ascertained, transmit to the attorney general a duly certified copy of all orders, ordinances, proclamations, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and any other matters relative thereto which the attorney general may require. The attorney general shall thereupon either approve or disapprove the validity of such bond issue, and shall immediately notify the governing body of the political division which authorized the issuance of the bonds of his action by mail, and as soon as practicable notify the people of such political division of his approval or disapproval of such bond issue, by causing notice thereof to be published as a Class II legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the political division. (1923, c. 14, § 24; 1967, c. 105.)

**Cross references.** — See notes to § 13-1-26.  
**Attorney general restricted to consideration of procedural steps in passing on validity of bond issue.** — The power of the attorney general in approving or disapproving the validity of a proposed bond issue, pursuant to this section, is restricted to passing upon the procedural steps taken by the political subdivision. State ex rel. Town of S. Charleston v. Partlow, 133 W. Va. 139, 55 S.E.2d 401 (1949).

**Attorney general may not rule on validity of contract affecting title to land to be purchased from proceeds of bond issue.** — Under this section, the attorney general of this State has no power to pass on the validity of a contract and agreement affecting the title to land to be purchased from the proceeds of a bond issue. Such question is judicial and must be determined by a court of

competent jurisdiction. State ex rel. Town of S. Charleston v. Partlow, 133 W. Va. 139, 55 S.E.2d 401 (1949).

**Proceeding by attorney general does not oust jurisdiction of court.** — Where, prior to the approval of a bond issue by the attorney general, a citizen and taxpayer has instituted his suit or action attacking the legality of the election, the jurisdiction of the court to hear and determine such suit or action cannot be ousted, or in any manner affected, by any proceeding on the part of the attorney general, under this and §§ 13-1-26, 13-1-27, Sessler v. Partlow, 126 W. Va. 232, 27 S.E.2d 829 (1943).

**Cited in State ex rel. Davenport v. Meadows,** 120 W. Va. 602, 199 S.E. 883 (1938); **State ex rel. County Court v. Partlow,** 130 W. Va. 777, 45 S.E.2d 506 (1947); **Town of South Charleston v. Board of Educ.,** 132 W. Va. 77, 50 S.E.2d 880 (1948).

**§ 13-1-26. Review in supreme court of appeals of action of attorney general.**

For a period of ten days from and after the date of the last publication of the notice of the attorney general of his action in approving or disapproving the validity of any bond issue as provided in the preceding section [§ 13-1-25], any person in interest, or any taxpayer within the political division for which the bonds are authorized to be issued, may present his or its petition to the supreme court of appeals or to a judge thereof in vacation, praying that the action of the attorney general in approving or disapproving such bond issue, as aforesaid, be reversed or modified; and if the court, or such judge thereof in vacation, be of the opinion to hear and determine the matters in such petition set out, the case shall be proceeded with as in cases of original jurisdiction; but the petitioner shall file with the clerk of the court a bond, with security to be approved by him, and in such sum as the court or judge may fix, for the payment of such costs as may be awarded against him in said court. The clerk

of the court shall forthwith notify the attorney general and the governing body of the political division which authorized the issuance of the bonds of the action taken by the court or judge in vacation upon such petition, and for the hearing thereof the attorney general shall file with the clerk of said court all papers, documents, evidence and records, or certified copies thereof, which were before him and on which he based his approval or disapproval; and before the day fixed for final hearing, he shall file with the clerk of said court a written statement of his reasons for the approval or disapproval of the bond issue. Upon the submission of the case, the court shall decide the matters in controversy and enter such order thereon as to it may seem to be just. (1923, c. 14, § 24.)

**Exercise of discretion by attorney general must not be arbitrary.** — This section does not contemplate or sanction an arbitrary exercise of the discretionary powers of the attorney general. This is indicated by the provision hereof which permits an appeal to the supreme court in the event of misuse or abuse of the authority vested in the attorney general. State ex rel. Allen v. England, 86 W. Va. 508, 103 S.E. 400 (1920).

**Attorney general may not withhold approval if all preliminary proceedings have been regular.** — The attorney general cannot withhold his approval if all of the preliminary proceedings to the issue of the road bonds are regular or substantially so. Nor can he be permitted to give his approval if the statutory provisions have not been complied with. State ex rel. Allen v. England, 86 W. Va. 508, 103 S.E. 400 (1920).

If a judgment by the attorney general has not been attacked by a suit within the prescribed time, such judgment becomes final. State ex rel. Allen v. England, 86 W. Va. 508, 103 S.E. 400 (1920).

**Review contemplated.** — The provisions of this section and § 13-1-25 contemplate that when the attorney general has ruled, his action may be reviewed by the supreme court of appeals. Sessler v. Partlow, 126 W. Va. 232, 27 S.E.2d 829 (1943).

**Power of review rests solely on this section.** — The jurisdiction of the supreme court of appeals to review the action of the attorney general in approving or disapproving a proposed bond issue rests solely on this section, and should "be proceeded with as in cases of original jurisdiction." State ex rel. Town of S. Charleston v. Partlow, 133 W. Va. 139, 55 S.E.2d 401 (1949).

**Sole question ordinarily considered on review is approval or disapproval by the**

**attorney general of a proposed bond issue.** — Generally the supreme court of appeals will not undertake in such proceeding the supervision of the expenditure of funds to be procured as the result of such bond issue. Baxa v. Partlow, 132 W. Va. 859, 54 S.E.2d 825 (1949); State ex rel. Town of S. Charleston v. Partlow, 133 W. Va. 139, 55 S.E.2d 401 (1949).

**Power of attorney general limited by § 13-1-25.** — The review by the supreme court of appeals of the attorney general's action in approving or disapproving a proposed bond issue contemplated by this section is limited to his action with respect to the powers he may properly exercise pursuant to § 13-1-25. State ex rel. Town of S. Charleston v. Partlow, 133 W. Va. 139, 55 S.E.2d 401 (1949).

**Effect of appellate review on jurisdiction of lower court.** — The action of the appellate court in upholding the attorney general in sustaining a county bond issue would not oust the circuit court of the county of its jurisdiction to finally hear and determine a pending suit seeking to contest the bond election and to enjoin the issuance of the bonds. Sessler v. Partlow, 126 W. Va. 232, 27 S.E.2d 829 (1943).

**Objection to amended petition.** — An objection to an amended and supplemental petition, filed more than ten days after the date of the last publication of the notice of the attorney general of his approval of a bond issue, was held to be without merit so long as the defendant was not taken by surprise or otherwise prejudiced by the filing and consideration of the supplemental petition. Baxa v. Partlow, 132 W. Va. 859, 54 S.E.2d 825 (1949).

**Applied in State ex rel. Davenport v. Meadows,** 120 W. Va. 602, 199 S.E. 883 (1938); **State ex rel. County Court v. Partlow,** 130 W. Va. 777, 45 S.E.2d 506 (1947).

**Cited in Town of South Charleston v. Board of Educ.,** 132 W. Va. 77, 50 S.E.2d 880 (1948).

**§ 13-1-27. Bond issue and tax to pay bonds to be incontestable upon failure to file petition for review or dismissal thereof.**

If no person in interest or taxpayer shall within ten days from and after the date of the last publication of the notice of the attorney general of his action in approving or disapproving the validity of any bond issue, as provided in this article, present his or its petition to the supreme court of appeals or to a judge thereof in vacation praying that the action of the attorney general be reversed or modified, as hereinbefore provided, or if such petition be filed and the court or judge be of the opinion not to hear and determine the matters in such petition set out, the action of the attorney general shall be final and no other appeal shall be allowed therefrom; and the bond issue approved by him shall become incontestable and shall be a valid and binding obligation upon the authority issuing the same and upon the taxable property within the political division which authorized the bond issue by the vote of the people therein; and no one shall thereafter have the right to contest in any court or in any action or proceeding the legality of any election held under this article, the bond issue provided for, or the tax required to pay the same, for any cause whatsoever. (1923, c. 14, § 24.)

*Applied in* Warden v. Grafton, 125 W. Va. 27 S.E.2d 829 (1943); *In re* Proposal to Incorporate Town of Chesapeake, 130 W. Va. 527, 45 S.E.2d 113 (1947).

**§ 13-1-28. Indorsement on bonds by attorney general.**

After ten days shall have elapsed from and after the date of the last publication of the attorney general's notice provided for in section twenty-five [§ 13-1-25] of this article, if no proceeding be pending to have his approval of the bond issue reversed and modified, the attorney general shall indorse upon each and every bond of the issue so approved by him his certificate to the effect that such bond has been approved by him by virtue of the authority vested in him by this article; that notice of his approval was published as required by section twenty-five of this article; that ten days have elapsed since the date of the last publication of such notice; that there has been no appeal from his decision to the supreme court of appeals; and that the bond has become incontestable and is a binding obligation upon the authority issuing the same and upon the taxable property within the political division, and that the validity of such bond shall not be contested thereafter in any court or in any action or proceeding for any cause whatsoever. (1923, c. 14, § 24.)

**§ 13-1-29. Costs of proceedings and expenses of attorney general to be paid out of proceeds of bonds or general fund.**

The cost of publishing the notice to taxpayers as herein provided, and the costs of certifying and copying all records, papers and proceedings to be used by the attorney general in passing upon the validity of the bond issue, and all

necessary expense incurred by the attorney general in connection with any bond issue, shall be paid by the authority issuing such bonds out of the proceeds arising from the sale thereof, if the same be finally approved, and if the bond issue be disapproved, such expense shall be paid out of the general fund of such authority. (1923, c. 14, § 24.)

**§ 13-1-30. Files and records to be kept by attorney general.**

The attorney general shall keep on file in his office the papers pertaining to any bond issue submitted to him, and shall record his findings of approval or disapproval in a well bound book kept for that purpose in his office, which shall be open for inspection by anyone in interest during business hours. (1923, c. 14, § 24.)

**§ 13-1-31. Proceedings to issue bonds under authority of prior statutes; debts heretofore incurred.**

Nothing contained in this article shall affect in any way proceedings heretofore begun by the governing body of any political division to issue bonds under the authority of any statutes of this State heretofore in force. Such proceedings may be completed under the statute under which the same were begun and under the provisions of this article so far as the same can be made applicable thereto. Nor shall anything contained in this article invalidate any indebtedness heretofore incurred under a law then existing. (1923, c. 14, § 25.)

**§ 13-1-32. Amount of indebtedness authorized by § 13-1-3 may be increased by special act as to municipalities and independent school districts; bonds for assessments against abutting property excepted from this article.**

Notwithstanding the provisions of section three [§ 13-1-3] of this article, when by a special act of the legislature any municipality or independent school district is authorized to become indebted for any purpose or purposes in a greater amount than is fixed by said section three, bonds may be issued under this article by such municipality or independent school district in an amount not exceeding that fixed by such special act. This article shall not affect any general or special law providing for the issuing of bonds for any improvement to be paid for in whole or in part by assessment against abutting property. (1923, c. 14, § 26.)

*Editor's notes.* — Acts 1933, Ex. Sess., c. 8, abolished "existing magisterial school districts and subdistricts and independent districts." See § 18-1-3.

Cited in *Sexton v. Lee*, 100 W. Va. 389, 130 S.E. 437 (1925).

### § 13-1-33. Bonds exempt from taxation.

All bonds of the State of West Virginia or of any political subdivision thereof issued hereunder, or under the provisions of chapter eight [§§ 8-1-1 et seq.] of this Code, shall be exempt from all taxation by the State or by any political subdivision thereof. (1931 Code, § 13-1-33.)

**Exemption must be provided by law or contract.** — Unless in some way exempted by express provision of law or by contract, bonds issued by municipal subdivisions of the State may be taxed by the State. *State v. Page*, 100 W. Va. 166, 130 S.E. 426 (1925).

### § 13-1-34. Bonded indebtedness of school districts; annual tax to be levied and collected to pay same; definition of value.

(a) Notwithstanding any other provision of this article or of any other law to the contrary, every school district, by and through its board of education, shall levy and collect in each year a direct annual tax on all taxable property in such school district sufficient to pay the principal and interest maturing in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, on any bonded indebtedness of such school district, now or hereafter contracted, not to exceed five percent of the value of the taxable property therein to be ascertained in accordance with section 8, article X of the Constitution, which levies shall be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property specified 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, and which tax may be levied outside the limits fixed by said section 1, article X of the Constitution.

(b) The term "value" as used in this section and in section 8, article X of the Constitution, is used in the same context that the term "value" is used in section 1, article X of the Constitution, and means the "worth in money" of a piece of property — its market value for ad valorem property tax purposes. (1959, c. 132; 1988, 3rd Ex. Sess., c. 7.)

**Refund of bond proceeds or reduction in tax levy prohibited until sufficient funds on deposit.** — Where in order to meet interest obligations due on bonds prior to first levy of taxes for payment of their principal and interest, county school board forwarded portion of bond proceeds to municipal bond commission, and subsequently tax collections exceeded the amount necessary to meet present principal and interest payments and would be sufficient to pay future obligations, the municipal bond commission could not refund any part of bond

proceeds forwarded to the commission by the county board of education nor reduce the taxes to be levied below that sum required by this section until such time as sufficient funds were on deposit with the commission to pay interest accruing in all subsequent years and to retire the bonds; however, after retirement of all bonds, any balance in the account could be refunded. *Op. Atty Gen.*, Aug. 2, 1978. *Stated in Appalachian Power Co. v. County Court*, 146 W. Va. 118, 118 S.E.2d 531 (1961).

### § 13-1-35. Bonded indebtedness of counties, magisterial districts and municipal corporations; levy and collection of taxes to pay same.

Notwithstanding any other provisions of this article or any other law to the contrary, every county, by and through its county court [county commission], either for or on behalf of the county, or for and on behalf of any magisterial district, or any group of magisterial districts therein, and any municipal corporation, by and through its council or other governing body in lieu thereof, shall levy and collect in each year a direct annual tax on all the taxable property in such county, magisterial district or districts, or municipality sufficient to pay the principal and interest maturing in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, on any bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, now or hereafter contracted, not to exceed in the aggregate five percent of the value of the taxable property therein, to be ascertained in accordance with section 8, article X of the Constitution, which levies shall be laid separate and apart and in addition to the maximum rates provided for tax levies by such counties, magisterial district or districts, or municipalities, as the case may be, on the several classes of property specified 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, and which tax may be levied outside the limits fixed by said section 1, article X of the Constitution.

The order of the county court, either for or on behalf of the county or for and on behalf of any magisterial district, or any group of magisterial districts therein, or of any municipal corporation, by its council or other governing body in lieu thereof, hereafter adopted calling an election on the issuance of bonds of such county, magisterial district or districts, or municipality, as the case may be, which together with the existing bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, will not exceed in the aggregate five percent of the value of the taxable property in such county, magisterial district or districts, or municipality, as the case may be, the value to be ascertained in accordance with section 8, article X of the Constitution, shall contain a statement in substantially the following form:

Such bonds, together with all existing bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, will not exceed in the aggregate five percent of the value of the taxable property in such county, magisterial district or districts, or municipality, as the case may be, ascertained in accordance with section 8, article X of the Constitution; and that such bonds will be payable upon a direct annual tax levied and collected in each year on all taxable property in such county, magisterial district or districts, or municipality, as the case may be, sufficient to pay the principal and interest maturing on such bonds in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by counties, magisterial district or districts, or municipalities, as

the case may be, on the several classes of property specified 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; and said tax may be levied outside the limits fixed by section 1, article X of the Constitution. (1959, c. 133.)

**Editor's notes.** — For construction of county courts as county commissions, see W. Va. Const., art. IX, § 9. **Section unconstitutional.** — This section attempts to confer levying power and authority upon county courts (now county commissions) in direct conflict with W. Va. Const., art. X, § 1 and is unconstitutional. *Appalachian Power Co. v. County Court*, 146 W. Va. 118, 118 S.E.2d 531 (1961), commented on in 63 W. Va. L. Rev. 357 (1961).

ARTICLE 2.

REFUNDING BONDS.

Sec. 13-2-1.	What political divisions may issue refunding bonds; when issued.	Issuance without election or notice.
13-2-2.	Terms of refunding bonds; time, place and amount of payments.	Invalidity of part of article not to affect other parts.
13-2-3.	Certain provisions of article one to apply to refunding bonds.	Bonds exempt from taxation.
13-2-4.	Disposition of bonds; cancellation of original bonds.	Funding of orders, drafts or warrants by county courts [county commissions] and boards of education at rate lower than six percent.
13-2-5.	Article sufficient authority for issuing refunding bonds.	

**W. Va. Law Review.** — "Survey of Developments in West Virginia Law: 1985," 88 W. Va. L. Rev. 443 (1985).

**No new indebtedness created.** — The issuance by a county court (now county commission) of refunding bonds to retire existing road bonds of a magisterial district under this article does not create a new indebtedness, and levies to provide debt service for the new (refunding) bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. *Keeney v. Kanawha County Court*, 115 W. Va. 243, 175 S.E. 60 (1934); *Board of Educ. v. Slack*, 174 W. Va. 437, 327 S.E.2d 416 (1985).

The rule that refunding bonds do not create a new debt and, therefore, may be issued without voter approval under W. Va. Const., art. X, §§ 8 and 10 is subject to certain qualifications: First, the amount of refunding bonds cannot increase the total indebtedness authorized by the voters on the original bond issue; secondly, refunding bonds ordinarily may not be liquidated over a period longer than authorized for the original bond issue, and thirdly, the aggregate of the principal and interest payments made on the original bonds prior to their refunding, when

remaining from the liquidation of school bonds to the school current fund, does not preclude the use of excess money from an escrow fund established with the bond commission and derived from the sale of refunding bonds under this article, as long as the county board of education complies with § 13-3-9(c). *Board of Educ. v. Slack*, 174 W. Va. 437, 327 S.E.2d 416 (1985).

**Discount sales.** — A discount sale of a refunding bond is not prohibited. *Board of Educ. v. Slack*, 174 W. Va. 437, 327 S.E.2d 416 (1985).

§ 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 [§ 13-2-4] 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 [§§ 13-1-7 through 13-1-14] 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



WEST VIRGINIA MUNICIPAL BOND COMMISSION  
 Suite 401  
 1207 Quarrier Street, Charleston, WV 25301  
 (304) 558-3971 FAX: 558-1280

NEW ISSUE REPORT FORM  
 Date of Report:

ISSUE: The Board of Education of the County of Braxton, Public School Bonds, Series 2008

ADDRESS 411 North Hill Road, Sutton, WV 26601 COUNTY: Braxton

PURPOSE OF ISSUE: New Mone  Refunding  Refunds issue(s) dated: N/A

ISSUE DATE: September 30, 2008 CLOSING DATE: September 30, 2008

ISSUE AMOUNT: \$16,100,000 RATE: 4.612574% (NIC)

1st DEBT SERVICE DUE: May 1, 2009 1st PRINCIPAL DUE: May 1, 2010

1st DEBT SERVICE AMOUNT: \$423,941.49 PAYING AGENT: MBC

BOND COUNSEL: Bowles Rice McDavid Graff & Lovi UNDERWRITERS COUNSEL: N/A

Contact Person: Edd McDevitt Contact Person: \_\_\_\_\_  
 Phone: 304.347.1711 Phone: \_\_\_\_\_

CLOSING BANK: \_\_\_\_\_ Depository Bank: BB&T\*

Contact Person: \_\_\_\_\_ Contact Person: Diane Holcomb  
 Phone: \_\_\_\_\_ Phone: 304.340.1573

KNOWLEDGEABLE ISSUER CONTACT: FA: Raymond James & Assoc.

Contact Person: Ginger L. Allizer Contact Person: Marie L. Prezioso  
 Position: Treasurer Position: Vice President  
 Phone: 304.765.7101 x 258 Phone: 304.346.1984  
 Email: galtizer@access.k12.wv.us

DEPOSITS TO MBC AT CLOSE: \_\_\_\_\_ Accrued Interest: \_\_\_\_\_ \$  
 By \_\_\_\_\_ Wire \_\_\_\_\_ Capitalized Interest: \_\_\_\_\_ \$  
 \_\_\_\_\_ Check \_\_\_\_\_ Reserve Account: \_\_\_\_\_ \$  
 \_\_\_\_\_ In-house Transfer \_\_\_\_\_ Other: \_\_\_\_\_ \$

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By \_\_\_\_\_ Wire \_\_\_\_\_ To Escrow Trustee: \_\_\_\_\_ \$  
 \_\_\_\_\_ Check \_\_\_\_\_ To Issuer: \_\_\_\_\_ \$  
 \_\_\_\_\_ IGT \_\_\_\_\_ To Cons. Invest Fund \_\_\_\_\_ \$  
 \_\_\_\_\_ To Other: \_\_\_\_\_ \$

NOTES: \*To receive \$15,796,165.90 (\$16,100,000, plus premium of \$18,165.90, less good faith deposit of \$322,000).

FOR MUNICIPAL BOND COMMISSION USE ONLY:  
 Documents Required: \_\_\_\_\_  
 Transfers Required: \_\_\_\_\_



## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF BRAXTON (the "Issuer"), and United Bank, Inc. Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of \$16,100,000, The Board of Education of the County of Braxton (West Virginia), Public School Bonds, Series 2008 (the "Bonds");

In connection with the foregoing, and in consideration thereof, the Issuer and the Dissemination Agent covenant and agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

Any filing under this Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "Central Post Office" or "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to MAC dated September 7, 2004, or to such other entity approved by the Board and the Dissemination Agent.

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

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which 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) and as the term may be modified by an interpretation of the Rule by the Securities and Exchange Commission (the "SEC").

"Disclosure Representative" shall mean the President of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time.

"Holders" shall mean (i) the registered owner of any Bond or (ii) the Beneficial Owner of any Bond.

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

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, (including the "voluntary central repository", etc.)

"Repository" shall mean each National Repository and the State 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.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"Underwriter" shall mean any of the underwriters in connection with the sale of the Bonds required to comply with the Rule in connection with the sale of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 300 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2007-2008 Fiscal Year, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report 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 Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted, when and if available, separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give written notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent has not received a copy of the Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Report. The Issuer's Annual Report shall consist of the audited financial statements of the Issuer for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

SECTION 5. Reporting of Listed Events.

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

1. principal and interest payment delinquencies;
2. non-payment related defaults;
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 or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property security repayment of the securities; and
11. rating changes.

(b) The Dissemination 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 Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each Repository with a copy to the Issuer. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Issuer is not an obligated person with respect to the Bonds, as provided in the Rule. If the Issuer's obligations under the this Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Issuer and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

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

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure 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 an obligated person 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





**EXHIBIT A**

NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party:       The Board of Education of the County of Braxton (West Virginia)

Name of Bond Issue:            \$\_\_\_\_\_ Public School Bonds, Series 2008

Date of Bond Issue:            \_\_\_\_\_, 2008

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(b) of this Disclosure Agreement dated \_\_\_\_\_, 2008, to be provided. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_,

\_\_\_\_\_  
on behalf of the Issuer

cc:     [Issuer]



# RAYMOND JAMES

## CLOSING MEMORANDUM

TO: **Braxton County Bd. of Ed.**  
*Carolyn Long*  
e-mail: [crlong@access.k12.wv.us](mailto:crlong@access.k12.wv.us)  
Phone: 304/765-7911  
Fax: 304/765-7152  
*Ginger Altizer*  
[galtizer@access.k12.wv.us](mailto:galtizer@access.k12.wv.us)  
Phone: 304/765-7101 ext. 258  
Fax: 304/765-7148

**Hutchinson, Shockey, Erley & Co.**  
*Carly Scott*  
e-mail: [cscott@hsemuni.com](mailto:cscott@hsemuni.com)  
Phone: 312/443-1550  
Fax: 312/443-7225  
*Tony Simpson*  
e-mail: [asimpson@hsemuni.com](mailto:asimpson@hsemuni.com)  
Phone: 312/443-1550  
Fax: 312/443-7225

**Bowles Rice McDavid Graff & Love, PLLC**  
*Edd McDevitt*  
e-mail: [emcdevitt@bowlesrice.com](mailto:emcdevitt@bowlesrice.com)  
Phone: 304/347-1711  
Fax: 304/343-3058

**WV State Treasurer's Office**  
Diane Holcomb  
e-mail: [diane.holcomb@wvsto.com](mailto:diane.holcomb@wvsto.com)  
Phone: 304/340-1573  
Fax: 304/340-1507

**WV Municipal Bond Comm.**  
*Sara Boardman*  
e-mail: [sboardman@state.wv.us](mailto:sboardman@state.wv.us)  
Phone: 304/558-3971  
Fax: 304/558-1280

**United Bank**  
*Kathy Smith*  
e-mail: [Kathy.smith@ubsi-wv.com](mailto:Kathy.smith@ubsi-wv.com)  
Phone: 304/348-8427  
Fax: 304/343-3058

FROM: Marie L. Prezioso  
e-mail: [Marie.Prezioso@RaymondJames.com](mailto:Marie.Prezioso@RaymondJames.com)  
Phone: 304/346-1984  
Fax: 304/346-1985

DATE: September 26, 2008

RE: \$16,100,000 The Board of Education of the County of Braxton  
(West Virginia), Public School Bonds, Series 2008

On Tuesday, September 30, 2008, Hutchinson, Shockey, Erley & Co. will wire \$15,796,165.90 to the account of the Braxton County Board of Education (wiring instructions follow).

	\$16,100,000.00	Total Principal of Bonds
Plus	-0-	Accrued Interest
Plus	\$ 18,165.90	Premium
Less	<u>\$ 322,000.00</u>	Good Faith Deposit.
	\$15,796,165.90	

**Raymond James & Associates, Inc.**  
Member New York Stock Exchange/SIPC  
500 Lee Street, East, Suite 530, Laidley Tower, Charleston, WV 25301  
304-346-1981 • Fax: 304-346-1985  
[www.RaymondJames.com](http://www.RaymondJames.com)

# RAYMOND JAMES

Wiring instructions:

Hutchinson, Shockey, Erley & Co. will wire \$15,796,165.90

To:	Branch Banking and Trust
ABA#:	051503394
Account Name:	State of West Virginia
Account Number	5270517317
Credit:	Braxton County Board of Education
Contact Person:	Diane Holcomb                      304/340-1573

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Hutchinson, Shockey, Erley & Co. will also wire the bond insurance premium to FSA.

**Raymond James & Associates, Inc.**

Member New York Stock Exchange/SIPC  
500 Lee Street, East, Suite 530, Laidley Tower, Charleston, WV 25301  
304-346-1981 • Fax: 304-346-1985  
[www.RaymondJames.com](http://www.RaymondJames.com)

\$16,100,000  
The Board of Education of the  
County of Braxton (West Virginia)  
Public School Bonds, Series 2008

**ESTIMATED COST OF ISSUANCE**

Bond Counsel	\$25,000.00
Financial Advisor	\$20,750.00
Printing POS/Official Statement (Westerfield)	\$2,500.00
Ideal - Prospectus	\$1,500.00
Rating Agency Fee (S&P)	\$12,000.00
Printing Notice of Sale in Bond Buyer (Source Media)	\$2,531.25
Bank – United Bank:	
Registrar	\$500.00
Annual DTC Fast Fee	\$50.00
Continuing Disclosure Fee	\$100.00
Printing other legal notes (local paper):	
Braxton Democrat	\$224.09
Citizens News	\$178.61
Miscellaneous	\$1,666.05
<b>Estimated Total</b>	<b>\$67,000.00</b>

This does not include costs of election or any publication before the election.