$3,560,000
The Board of Education of the
County of Calhoun (West Virginia)
Public School Bonds, Series 2011

DISTRIBUTION LIST

Issuer

Calhoun County Board of Education
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151

Mr. Roger D. Propst, Superintendent
Phone: 304/354-7011 ext. 17
e-mail: rpropst@access.k12.wv.us

Ms. Patty Riddle
Phone: 304/354-7011 ext. 21
e-mail: psriddle@access.k12.wv.us

Bond Counsel

Goodwin & Goodwin, LLP
P.O. Box 2107
300 Summers Street, Suite 1500 (25301)
Charleston WV 25328-2107

William "Bill" K. Bragg, Jr.
Phone: 304/346-7000
Fax: 304/344-9692
e-mail: wkg@goodwingoodwin.com

Financial Advisor

Raymond James & Associates, Inc.
500 Lee Street East
Suite 530, Laidley Tower
Charleston, WV 25301

Marie Prezioso
Director,
Manager of West Virginia Public Finance
Phone: 304/346-1984
Fax: 304/346-1985
e-mail: Marie.Prezioso@RaymondJames.com

Joe Nassif
Director
Phone: 304/346-1983
Fax: 304/346-1985
e-mail: Joseph.Nassif@RaymondJames.com

Paying Agent

West Virginia Municipal Bond Commission
1207 Quarrier St. – Suite 401
Charleston, WV 25301
Sara Boardman, Executive Director
Phone: 304/558-3971
Fax: 304/558-1280
e-mail: sboardman@state.wv.us

Registrar & Continuing Disclosure Agent

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

Kathy Smith
Phone: 304/348-8427
Fax: 304/343-3058
e-mail: Kathy.smith@ubsi-wv.com

Board's Counsel

Bowles Rice McDavid Graff & Love LLP
600 Quarrier Street
Charleston, WV 25301

Howard E. Seufer, Jr.
Phone: 304/347-1776
Fax: 304/347-1746
e-mail: hseufer@bowlesrice.com

Rating Agency

Standard & Poor's
55 Water St. – 38th Floor
New York, NY 10041

Analyst: Danielle Leonardis
Phone: 212/438-2053
e-mail: Danielle_leonardis@standardandpoors.com

Underwriter

Crews & Associates, Inc
First Security Center
521 President Clinton Avenue
Suite 800
Little Rock, AR 72201

Pam James
501/978-6326
pjames@crewsfs.com

Last Updated: June 9, 2011

TABLE OF CONTENTS

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011

Date of Closing: July 21, 2011

TRANSCRIPT LIST

A. BASIC DOCUMENTS

1. Bond Election Order.
2. Certification of Election Results.
3. Resolution and Order Directing Issuance of Bonds.
4. Supplemental Resolution.
5. Cross-Receipt for Bonds and Bond Proceeds.
6. Attorney General's Approval.
7. Specimen Bond.
8. Direction to Authenticate and Deliver Bonds.

B. CERTIFICATES

9. General Certificate of Issuer.
10. Tax and Non-Arbitrage Certificate of Issuer.
11. Certificate of Valuation.
12. Certificate of Bonded Indebtedness.
13. Purchaser's Certificate.
14. Registrar and Authenticating Agent's Certificate.

C. OPINIONS

15. Approving Opinion of Goodwin & Goodwin, LLP, Bond Counsel.
16. Non-Arbitrage Opinion of Bond Counsel.

17. Opinion of Bowles Rice McDavid Graff & Love LLP, Issuer's Counsel.

D. DOCUMENTS OF THE ISSUER

18. Minutes on Award of Bonds – July 7, 2011

19. Minutes of Meetings.

    A) December 14, 2010 approving Notice of Bond Election
    B) January 10, 2011 approving Election Workers

20. Official Ballot.

21. Preliminary Official Statement.

22. Official Statement.

23. S&P Rating Letter.

24. IRS Form 8038-G.

E. MISCELLANEOUS

25. Affidavit of Publication of Bond Election Order.

26. Affidavit of Publication of Attorney General's Approval.

27. Letter to Clerk of Supreme Court of Appeals from Attorney General's Office.

28. Letter from Clerk of Supreme Court of Appeals from Attorney General's Office.

29. Affidavits of Publication of Notice of Bond Sale.

30. Official Notice of Sale.

31. Bid of Crews & Associates, Inc. (including Overview Report summarizing all bids)

32. Registrar's Agreement.

33. Municipal Bond Commission New Issue Report Form.

34. DTC Representation Letter.

35. Continuing Disclosure Agreement.

36. Closing Memorandum.

37. School Building Authority of West Virginia Grants.

38. Copy of Statutory Authority.

A Pre-Closing will take place at the offices of the Board of Education of the County of Calhoun, 540 Alan B. Mollohan Drive, Mt. Zion, West Virginia, at 11:00 a.m., Eastern Time, on July 20, 2011. The closing of the sale of $3,560,000 in aggregate principal amount of the Board of Education of the County of Calhoun Public School Bonds, Series 2011, will take place at the offices of Goodwin & Goodwin, LLP, 300 Summers Street, Suite 1500, Charleston, West Virginia, at 10:00 a.m., Eastern Time, on July 21, 2011. No transaction shall be deemed to have been completed and no documents shall be deemed to have been delivered unless and until all transactions are complete and all documents are delivered. Any document which references an exhibit or schedule to be attached thereto shall be considered completed and attached if the referenced exhibit or schedule appears elsewhere in this transcript.

1

CERTIFICATE OF AUTHENTICITY

I, Roger D. Propst, Superintendent of Schools of the County of Calhoun and Secretary of the Board of Education of said County, hereby certify that the Bond Election Order, a copy of the original of which is attached hereto, was approved by the Calhoun County Board of Education at a meeting on December 14, 2010, at which a quorum was present and acting throughout, and remains in full force and effect as approved by said Board of Education. I further certify that said order authorized submission of the question of issuance of $3,560,000 in Public School Bonds to the voters of Calhoun County (which election was held on March 4, 2011, and resulted in approval by the voters of Calhoun County School District of issuance of such Bonds).

WITNESS my signature and the seal of said Board on this the 20th day of July, 2011.

Roger D. Propst

Superintendent and Secretary of
The Board of Education of Calhoun
County, West Virginia

NOTICE OF BOND ELECTION

MARCH 4, 2011
TO THE VOTERS OF
CALHOUN COUNTY BOARD OF EDUCATION SCHOOL DISTRICT, STATE OF WEST VIRGINIA

Take notice that the following order was made and entered of record at a regular meeting of the Board of Education of the County of Calhoun, a statutory corporation, functioning pursuant to the laws of the State of West Virginia, held on the 14th day of December, 2010, a quorum being present and acting throughout said meeting:

AN ORDER OF THE BOARD OF EDUCATION
OF THE
COUNTY OF CALHOUN
DIRECTING AN ELECTION TO BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF CALHOUN COUNTY SCHOOL DISTRICT ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF THREE MILLION FIVE HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS ($3,560,000.00)

BE IT ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN: It appears to the Board of Education of the County of Calhoun (hereinafter called the "Board") from the experience of the Board in operating the schools in the Calhoun County School District (hereinafter called the "School District") and after carefully studying and considering reports, recommendations and the needs of the School District regarding the desire for an improved educational program and, based upon this information, the Board does accordingly find that:

1. There are now and have been for several years in the School District serious deficiencies in its physical plants that generally result in a lack of efficiency, lack of adequate health and safety standards, lack of adequate facilities to prepare students properly for gainful employment and further education, and an overall impairment of the educational process within the School District. To meet these inadequacies, there is a need to enlarge, equip, extend, furnish, improve, construct, and renovate certain school facilities in all grade and age levels, as soon as possible, in the manner hereinafter stated, and to achieve these stated goals.

2. The funds derived from current levies which this Board is now authorized by law to lay, after providing for administration of the affairs of the Board and meeting the current expenses thereof required by law, are insufficient to finance the projects required by a comprehensive building program and, therefore, Bonds should be issued to provide funds for such projects.

3. To obtain the necessary funds for the projects hereinafter described, it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, improvement, equipping and furnishing of such projects. Studies by the Board show that the School District must spend at

least the sum of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000.00) for such purposes, which would come from the proceeds of the sale of the Bonds and other sources, all for the general purpose of providing adequate, safe and convenient educational facilities for the School District.

4. The valuation of the taxable property in the School District, as shown by the last assessment thereof for State and County taxation purposes, is $235,716,244, and valuation of each class of property within the School District is as follows:

Class I	$0
Class II	71,478,417
Class III	154,776,714
Class IV	9,461,113
Total	$235,716,244

5. The Board and the School District has outstanding bonded indebtedness in the principal amount of $670,000. The remaining indebtedness of the School District is for current expenses and can be paid from current levy funds. The maximum bonded indebtedness the Board may incur is five percent (5%) of the total amount shown above or $11,785,812. Accordingly, Bonds in the amount of $3,560,000.00, plus exiting indebtedness in the principal amount of $670,000, the total of which is less than five percent (5%) of the value of such taxable property as ascertained by the last assessment thereof for State and County taxes, may be issued and sold without violating any constitutional or statutory provision.

6. Bonds in the denomination of $5,000 each, or integral multiples thereof, aggregating $3,560,000, should be issued and sold, the proceeds of which shall be used for the projects hereinafter described; provided, however, that in the event that any part of the Bond proceeds should not be needed for completion of the projects, such unneeded part shall be deposited with the Municipal Bond Commission of West Virginia to be used solely for the purchase of any Bonds of this issue outstanding at not more than the par value thereof plus accrued interest to date of purchase or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified; and, provided, further, the Board shall have the authority to pay matured interest and the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the Bond proceeds expended for this purpose shall be reimbursed from levy money collected.

7. The question of incurring said debt, issuing said Bonds, and all other questions properly connected therewith shall be submitted to the voters of the School District at a special election to be held on the 4th day of March, 2011, and the commissioners and clerks for holding said election, at each of the legally established voting precincts in Calhoun County, shall be those commissioners and clerks designated, appointed and certified by The County Commission of Calhoun County, West Virginia in connection with said election.

8. The Bonds shall bear interest at a rate or rates not exceeding the rate of six and 50/100 percent (6.50%) 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 (20) years and six (6) months from their date of issuance.

9. The Bonds shall be issued only in book entry or registered form as to principal and interest in compliance with the United States Internal Revenue Code Sections 103 and 149 (26 USC Section 103 and Section 149), as amended, and as authorized by the West Virginia Public Obligations Registration Act, Article 2F, Chapter 13 of the Code of West Virginia of 1931, as amended (the "Code").

10. The projects for which the proceeds of the Bonds, if authorized by the voters to be expended, are as follows:

Projects	Locations	Costs
Calhoun County Middle/High School		
Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School		
Construct a new elementary school containing approximately 36,624 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 218 students in grades PK-4.	Property to be acquired by Board of Education within 1 mile of the existing Arnoldsburg Elementary School.	Bond Funds $ 2,814,758
Total Bond Costs		**$3,560,000**

The above amounts consist of an aggregate of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000.00) of bond proceeds. In addition, the Board has requested grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Five Million Six Hundred Fifty-six Thousand One Hundred Sixty-two and 00/100 Dollars ($5,656,162.00). The total amounts to be expended by the Board from all sources will be Nine Million Two Hundred Sixteen Thousand One Hundred Sixty-two and 00/100 Dollars ($9,216,162.00).

In the event the Board does not receive a written commitment from the School Building Authority of West Virginia to provide Grant Funds as aforesaid, the Board may elect not to issue the Bonds, and consequently, the Board will not levy taxes to provide funds for the payment of said Bonds.

After providing for the administration of instruction in the Calhoun County schools and meeting the current expenses thereof required by law, current funding is insufficient to finance the comprehensive renovation and construction program described above. Therefore, the Board finds it necessary to incur debt and issue bonds to provide the above stated funds for such projects.

The amounts described above include the costs of acquiring real estate and rights-of-way, if any, engineering and architectural costs, environmental remediation costs, construction costs

including but not limited to the cost of using county maintenance personnel, the costs of demolition, the costs and estimated costs of the issuance of the Bonds, capitalized interest, if necessary, interest during construction and such other costs, fees and expenses as shall be necessary and/or properly incurred in carrying out the foregoing projects. If for any reason any portion of the above-enumerated projects cannot be constructed, carried out or completed, the amounts above set out for each such project and any sums remaining unused upon completion of the foregoing projects shall be allocated by the Board, in its discretion, to be expended for any one or more remaining items associated with the above-enumerated construction projects, as provided by Section 6(a), Article 1, Chapter 13 of the Code. In the event the Board shall obtain additional money by grant or otherwise from the State or Federal government, or from any agency of either, or from any other source, for use in the acquisition, remediation, construction, renovation, improvement, demolition, paving, furnishing and/or equipping of the above-enumerated projects, such additional money shall be used either in substitution for or in addition to the proceeds of the sale of the Bonds proposed hereby, as shall be determined by the Board and the granting body or agency.

11. If the voters of the School District approve the incurring of said debt and the issuance of said Bonds, the Board will lay annually, upon the assessed valuation of all the taxable property within the School District, a levy sufficient to provide funds for the payment of the annual interest upon the Bonds as such interest accrues semiannually and the principal of the Bonds at maturity, for which purposes a levy upon each $100 valuation, based upon the last assessment of such property for State and County purposes, will be required as follows:

Upon Class I Property approximately	4.48 cents
Upon Class II Property approximately	8.96 cents
Upon Class III Property approximately	17.92 cents
Upon Class IV Property approximately	17.92 cents

12. In the laying of said levy, the assessment levy authorized to be laid by said Board by the Constitution of West Virginia and the statutes enacted pursuant thereto shall not be exceeded; provided, however, that said rates hereinabove set forth shall, whenever necessary, be exceeded in making the annual levy for interest and principal of said Bonds within statutory and constitutional limitations; and that in the levy, collection and disbursement of taxes within constitutional and statutory limitations, this levy for interest and principal shall have preference over all other taxes collected by said School District for any purpose whatsoever, except the payment of the interest and sinking fund requirements on any other bond issue or issues which lawfully have been authorized heretofore or which shall be authorized hereafter.

13. If the debt represented by this Bond issue shall be approved by the voters, such Bonds, together with any other bonded indebtedness 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 CALHOUN 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 Calhoun County, at a special election to be held on Friday, March 4, 2011, the question of whether the Board should incur debt and issue Bonds in the sum of $3,560,000.00 for the purposes set forth in this order.

1. The schedule of commissioners, clerks and poll workers which are designated, appointed and certified for the purpose of a special, primary or general election shall be the same commissioners, clerks and poll workers which are designated, appointed and certified by The County Commission of Calhoun County, West Virginia, in connection with the special election to be held on Friday, March 4, 2011. Such commissioners, clerks and poll workers shall be identified in an Amended Order to be approved by the Board when their names become available.

2. Notice of this question shall be given by publication of this order at least once each week for two (2) successive weeks before the election and within fourteen (14) consecutive days next preceding the election in T*he Calhoun Chronicle*, a newspaper of general circulation in the School District.

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

OFFICIAL BALLOT
CALHOUN COUNTY BOARD OF EDUCATION
SCHOOL BOND ELECTION
FRIDAY, MARCH 4, 2011

"Shall the Board of Education of the County of Calhoun incur debt and issue bonds in the amount of $3,560,000.00, maturities on such bonds to run not more than twenty (20) years and six

(6) months from the date of such bonds, with interest not exceeding the rate of six and 50/100 percent (6.50%) per annum, payable semiannually, subject to redemption prior to maturity, in whole or in part, on terms established by the Board, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing, equipping, consolidating and/or relocating of the projects described below, all for the general purpose of providing adequate, safe and convenient facilities for the Calhoun County School District:

Projects	Locations	Costs
Calhoun County Middle/High School		
Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School		
Construct a new elementary school containing approximately 36,624 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 218 students in grades PK-4.	Property to be acquired by Board of Education within 1 mile of the existing Arnoldsburg Elementary School.	Bond Funds $ 2,814,758
Total Bond Costs		**$3,560,000**

The above amounts consist of an aggregate of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000.00) of bond proceeds. In addition, the Board has requested grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Five Million Six Hundred Fifty-six Thousand One Hundred Sixty-two and 00/100 Dollars ($5,656,162.00). The total amounts to be expended by the Board from all sources will be Nine Million Two Hundred Sixteen Thousand One Hundred Sixty-two and 00/100 Dollars ($9,216,162.00).

In the event the Board does not receive a written commitment from the School Building Authority of West Virginia to provide Grant Funds as aforesaid, the Board may elect not to issue the Bonds, and consequently, the Board will not levy taxes to provide funds for the payment of said Bonds.

After providing for the administration of instruction in the Calhoun County schools and meeting the current expenses thereof required by law, current funding is insufficient to finance the comprehensive renovation and construction program described above. Therefore, the Board finds it necessary to incur debt and issue bonds to provide the above stated funds for such projects.

The amounts described above include the costs of acquiring real estate and rights-of-way, if any, engineering and architectural costs, environmental remediation costs, construction costs including but not limited to the cost of using county maintenance personnel, the costs of demolition, the costs and estimated costs of the issuance of the Bonds, capitalized interest, if necessary, interest during construction and such other costs, fees and expenses as shall be necessary and/or properly incurred in carrying out the foregoing projects. If for any reason any portion of the above-enumerated projects cannot be constructed, carried out, or completed, the amounts above set out for

each such project and any sums remaining unused upon completion of the foregoing projects shall be allocated by the Board in its discretion, to be expended for any one or more remaining items associated with the above-enumerated construction projects, as provided by Section 6(a), Article 1, Chapter 13 of the Code of West Virginia of 1931, as amended. In the event the Board shall obtain additional money by grant or otherwise from the State or Federal government, or from any agency of either, or from any other source, for use in the acquisition, remediation, construction, renovation, improvement, demolition, paving, furnishing and/or equipping of the above-enumerated projects, such additional money shall be used either in substitution for or in addition to the proceeds of the sale of the Bonds proposed hereby, as shall be determined by the Board and the granting body or agency.

And shall the Board levy taxes sufficient to pay the interest on and the principal of such Bonds?"

INSTRUCTIONS TO VOTERS:

To vote in favor of the proposition submitted on this ballot, mark an "X" in the square beside the words "FOR THE PROPOSITION."

To vote against the proposition submitted on this ballot, mark an "X" in the square beside the words "AGAINST THE PROPOSITION."

☐ FOR THE PROPOSITION

☐ AGAINST THE PROPOSITION

4. The Secretary of the Board with the assistance of the Clerk of the County Commission, which Clerk is hereby designated and appointed as 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 Clerk of the County Commission in relation to special, primary and general elections, and in accordance with Chapter 13, Article 1, Section 13 of the Code.

5. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the County Commission of the County of Calhoun, and said Clerk is hereby appointed the agent for the Board to perform all duties relating to absentee ballots in a special, primary or general election.

6. The registration of voters and the use of the registration booths shall be governed by the permanent registration law of the State, and the Board hereby adopts the registration list of Calhoun County as the official registration list of the School District for this election.

Adopted on the 14th day of December, 2010.

THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

By: _____
President

ATTEST:

_____
Secretary

Given under my hand this 14th day of December, 2010.

_____
Secretary of the Board of Education of the County of Calhoun

2

CERTIFICATION OF BOARD OF EDUCATION BOND ELECTION

2011

The board of canvassers of the county of Calhoun, State of West Virginia, having carefully, and impartially examined the returns of the Board of Education Bond Election held in the said county on the 4th day of March, 2011, do hereby certify that in said county or district, at said Election, on the official ballot for the Board of Education Bond Election:

For the Proposition:

Five hundred and forty five (545)

Against the Proposition:

Two hundred and sixty three (263)

Approved by the Calhoun County Commission

Dated this 15th day of March, 2011:

Approved by the Calhoun County Board of Education

Dated this 15th day of March, 2011:

Cynthia Dale

Joy Starcher

Faye Barnhart

OFFICIAL MINUTES
SPECIAL MEETING
CANVAS OF VOTES FOR MARCH 4, 2011
SCHOOL BOND ELECTION
COUNTY COURTHOUSE – LITTLE COURT ROOM
GRANTSVILLE, WV

CALHOUN COUNTY BOARD OF EDUCATION

March 10, 2011

STATE OF WEST VIRGINIA	At County Courthouse, Little Court Room, Grantsville, WV;
COUNTY OF CALHOUN:	Thursday, March 10, 2011
MEMBERS PRESENT:	Stephen Whited, Cynthia Dale, Joy Starcher, Faye Barnhart, and Roger Propst, Superintendent
ABSENT:	Mike Wilson

The meeting was called to order by President, Stephen Whited at 9:00 a.m.

Canvas of Votes - School Bond Election

The Board conducted the canvass of ballots from the March 4, 2011, School Bond Election as per West Virginia Code 3-11-5 in conjunction with the Calhoun County Commission and County Clerk's office. Provisional ballots were tabulated adding 23 votes for the proposition, and 7 against; one was not counted due to the voter not being registered.

Precinct #19 was verified and all ballots were accounted for.

Adjournment:

Mrs. Dale moved and Mrs. Starcher seconded to adjourn the meeting at 10:15 a.m. until 9:00 a.m. Tuesday, March 15, 2011, to certify the final results. Motion carried 4-0.

Reconvene: *(Attachment I)*

Mr. Whited reconvened the meeting on Tuesday, March 15, 2011, in the Calhoun County Clerk's office to certify the final results of the March 4, 2011, School Bond Election.

For the Proposition:	Five hundred and forty-five (545)
Against the Proposition:	Two hundred and sixty-three (263)

Adjournment:

Mrs. Starcher moved and Mrs. Barnhart seconded to adjourn at 9:05 a.m. Motion carried 4-0.

Secretary

President

Others Present:

Robert Weaver
Scottie Westfall, II
Danielle Stevens
Kevin Helmick
Helen Johnson
Pamela Davis
Michael Ritchie
Jason Nettles
Linda McCartney
Amanda Oldham
Melissa Hixon

3

CERTIFICATE OF AUTHENTICITY

I, Roger D. Propst, Superintendent of Schools of the County of Calhoun and Secretary of the Board of Education of said County, hereby certify that the Resolution and Order Directing Issuance of Bonds, a copy of the original of which is attached hereto, was approved by the Calhoun County Board of Education at a meeting on April 11, 2011, at which a quorum was present and acting throughout, and remains in full force and effect as approved by said Board of Education. I further certify that said Resolution and Order authorized issuance of $3,560,000 in Public School Bonds by The Board of Education of the County of Calhoun.

WITNESS my signature and the seal of said Board on this the 20th day of July, 2011.

Roger D. Propst

Superintendent and Secretary of
The Board of Education of Calhoun
County, West Virginia

CALHOUN COUNTY BOARD OF EDUCATION

RESOLUTION AND ORDER DIRECTING ISSUANCE OF BONDS

WHEREAS, The Board of Education of the County of Calhoun (the "Issuer"), has heretofore, on the 14th day of December, 2011, made and entered of record an order upon the question of authorizing bonds in the amount of Three Million Five Hundred Sixty Thousand Dollars ($3,560,000) to be issued and sold for the purpose of providing funds for making certain improvements in Calhoun County School District (the "District");

WHEREAS, partially in pursuance of said order an election was held on the 4th day of March, 2011, 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 Board of Education of Calhoun County, sitting as The Board of Canvassers of the County of Calhoun on the 10th day of March, 2011, and certified by The Board of Canvassers of the County of Calhoun on the 15th day of March, 2011, was five hundred forty-five (545) votes for and two sixty-three (263) votes against the issuance of said bonds; so that more than fifty percent (50%) of the voters, to wit, sixty-seven percent (67%), 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 CALHOUN AS FOLLOWS:

1. Bonds in the aggregate principal amount of $3,560,000 (the "Bonds") shall be issued and sold, in denominations of $5,000 or integral multiples thereof, the proceeds of which sale shall be used for the purposes hereinafter set forth, the sale of such Bonds to be made in whole, or from time to time in part, as the Issuer may, in its discretion, deem proper, advisable and in the best interests of the inhabitants of the District. Upon completion of the Projects and payment therefor in full, any unused sum remaining from the sale of the Bonds shall be deposited with the West Virginia Municipal Bond Commission to be used for the purchase of any Bonds of this proposed issue outstanding at a price of not more than the par value thereof plus accrued interest to the date of such purchase or for the payment of the Bonds hereby authorized and the interest thereon at the maturities thereof.

2. The Bonds shall bear interest at a rate or rates not exceeding six and 50/100 percent (6.50%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which might result in somewhat lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable in the principal amounts and shall mature as follows:

Bonds in the amount of $80,000 due and payable June 1, 2012;

Bonds in the amount of $115,000 due and payable June 1, 2013;

Bonds in the amount of $120,000 due and payable June 1, 2014;

Bonds in the amount of $125,000 due and payable June 1, 2015;

Bonds in the amount of $130,000 due and payable June 1, 2016;

Bonds in the amount of $140,000 due and payable June 1, 2017;

Bonds in the amount of $145,000 due and payable June 1, 2018;

Bonds in the amount of $150,000 due and payable June 1, 2019;

Bonds in the amount of $160,000 due and payable June 1, 2020;

Bonds in the amount of $170,000 due and payable June 1, 2021;

Bonds in the amount of $175,000 due and payable June 1, 2022;

Bonds in the amount of $185,000 due and payable June 1, 2023;

Bonds in the amount of $195,000 due and payable June 1, 2024;

Bonds in the amount of $205,000 due and payable June 1, 2025;

Bonds in the amount of $215,000 due and payable June 1, 2026;

Bonds in the amount of $225,000 due and payable June 1, 2027;

Bonds in the amount of $240,000 due and payable June 1, 2028;

Bonds in the amount of $250,000 due and payable June 1, 2029;

Bonds in the amount of $260,000 due and payable June 1, 2030; and

Bonds in the amount of $275,000 due and payable June 1, 2031.

3. Both the Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the Municipal Bond Commission of West Virginia, Charleston, West Virginia (the "Paying Agent"). The Bonds shall be registered as to ownership and

authenticated by a bank. The Issuer shall annually, at the levy term thereof, make up and lay a levy upon all taxable property within the District sufficient to provide funds for paying the interest on the Bonds as the same accrues and becomes payable and the principal thereof at maturity.

4. The Bonds shall be issued under the five percent (5%) limitation of the Better Schools Amendment and will be payable from a direct annual tax on all taxable property in the District, in the ratio, as between the several classes or types of such taxable property specified in Section 1, Article X of the Constitution, separate and apart from and in addition to all other taxes for all other purposes, sufficient to pay, annually, the interest of such debt and the principal thereof, within and not exceeding thirty-four (34) years, which may be levied outside the limits fixed by Section 1, Article X of the Constitution, and the Issuer covenants with the registered owners from time to time of the Bonds that the District shall include in its budget the amount of the debt service for each fiscal year of the District in which such sums are payable, shall appropriate such amount from its revenues for the payment of such debt service and shall duly and punctually pay or cause to be paid from its sinking fund or any other of its available revenues or funds the principal amount of each of the Bonds and the interest due thereupon at the date and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, subject to the limitations fixed by the District, shall and does pledge, irrevocably, its full faith, credit and taxing power.

5. It is hereby found and determined by the Issuer that the aggregate amount of such Bonds, to wit, Three Million Five Hundred Sixty Thousand Dollars ($3,560,000), together with all other bonds of the District currently outstanding, does not exceed or violate any provisions or limitations in any manner provided by the School Bond Amendment and the Better Schools Amendment.

6. The Bonds hereby authorized shall be exempt from all taxation by the State of West Virginia or any political subdivision thereof and shall contain the following recital: "It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia."

7. Each Bond shall be signed by and on behalf of the Issuer by its President and countersigned by its Secretary, and the corporate seal of the Issuer shall be affixed to each, which signatures and seal may be manual or by facsimile, and the Bonds herein authorized to be issued shall be upon the terms and in form or effect substantially as set forth in "Exhibit A", attached hereto as a part hereof. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution and Order unless and until the Registrar's Certificate of Authentication and Registration on such Bond, substantially in the form set forth in said "Exhibit A", shall have been manually executed by the Paying Agent, as registrar for the Bonds (the "Registrar").

8. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by

check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar.

9. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive holder of the Bonds ("Holder"), in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the books of the Registrar, by the registered owner thereof, in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privileges of exchanging Bonds or transferring the registered Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution and Order. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. Transfers and exchanges of Bonds shall be made by the Registrar without charge to the holder or the transferee thereof, except as provided below. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such tax or other governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds.

10. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) in excess of five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property

used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

11. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

12. The Issuer shall not take any action or permit or suffer any action to be taken, the result of which would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended, or any successor provision (the "Code"), and Regulations promulgated thereunder.

13. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

14. The Issuer covenants with the registered owners from time to time of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds," as that term is defined in Section 148 of the Code. The Issuer further covenants that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of this issue. In addition, the President of the Issuer being the official responsible for issuing the Bonds, is hereby authorized and directed to execute and deliver, in the name and on behalf of the District, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" within the meaning of said Section 148 and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance, sale and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the District as to the amount and use of the proceeds of the Bonds and other matters relating to such Section 148.

15. The Issuer hereby covenants to take all actions necessary to comply with the "rebate" provisions of Section 148(f) of the Code and shall employ such professionals as may be necessary in order to ensure such compliance.

16. The Secretary of the Issuer has transmitted 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 required by the Attorney General, as provided by Section 25, Article 1, Chapter 13 of the Code of West Virginia.

17. All officers, members and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause valid Bonds to be issued as authorized by the voters of the District at a special election held on the 4th day of March, 2011, pursuant to the calling thereof, and to do all things proper and necessary to obtain the approval and sale of said Bonds, and no further authority shall be necessary to authorize any such officers or employees to give further assurance and do further acts as may legally be required by any individual or corporate purchaser of the Bonds hereby authorized or any of them.

18. Before offering the Bonds hereby authorized for sale, they shall first be advertised as required by Section 21, Article 1, Chapter 13 of the Code of West Virginia, and the officers of the Issuer are hereby authorized to place such advertisement as required thereby.

19. The Bonds 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 maturity as may be determined by the Issuer and by lot within a maturity, and at the redemption price or prices to be set forth in the Notice of Sale of the Bonds. At the option of the Issuer, the Bonds or portions thereof may also be subject to mandatory sinking fund redemption in lieu of serial maturities in the years and in the amounts set forth in 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.

20. The Issuer has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

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

Adopted and entered of record this 11th day of April, 2011.

CALHOUN COUNTY BOARD OF EDUCATION

By: _____
President

ATTEST:

By: _____
Secretary

EXHIBIT A

FORM OF BOND

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2011

SUPPLEMENTAL RESOLUTION

WHEREAS, The Board of Education of the County of Calhoun, West Virginia (the "Issuer"), did, on April 11, 2011, adopt and enter of record a Resolution and the Order Directing Issuance of Bonds, (the "Resolution") authorizing the issuance of the above-captioned bonds (the "Bonds");

WHEREAS, the Resolution provided for certain details of the Bonds and designation of a Registrar and Paying Agent to be set forth in a resolution or resolutions supplemental thereto; and

WHEREAS, pursuant to the Resolution and applicable law, the Issuer has duly and properly advertised the Bonds for sale upon sealed or electronic proposals to be received by the Issuer until 12:00 Noon, on the date hereof, being July 7, 2011;

WHEREAS, all proposals received have been reviewed by representatives of the Issuer and Raymond James and Associates, Inc., the Issuer's Financial Advisor, and the highest responsive bidder (lowest true interest cost) has been determined:

WHEREAS, the Issuer wishes to adopt this Supplemental Resolution in order to award the sale of the Bonds to the highest responsive bidder to set forth the interest rates on the Bonds, to appoint and designate the Registrar and Paying Agent, to approve a certificate relating to the Official Statement for the Bonds, and to approve other matters relating to the Bonds;

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

1. The Bonds shall be sold to Crews & Associates, Inc., being the highest responsive bidder (lowest true interest cost) thereon.

2. The Bonds shall be dated the date of delivery thereof (anticipated to be July 21, 2011), and shall bear interest at the rates and shall mature on the dates and in the amounts as follows:

Maturity (June 1)	Principal Amount	Interest Rate
2012	$80,000	3.25%
2013	115,000	3.25%
2014	120,000	3.25%
2015	125,000	3.25%
2016	130,000	3.25%
2017	140,000	3.25%
2018	145,000	3.25%
2019	150,000	3.25%
2020	160,000	3.25%
2021	170,000	3.25%
2022	175,000	3.25%
2023	185,000	3.40%
2024	195,000	3.60%
2025	205,000	3.75%
2026	215,000	3.85%
2027	225,000	3.90%
2028	240,000	4.00%
2029	250,000	4.10%
2030	260,000	4.15%
2031	275,000	4.20%

3. The Bonds shall not be subject to redemption prior to maturity,

4. The Issuer hereby designates United Bank, Inc., with its principal office in Charleston, West Virginia, as Registrar and the West Virginia Municipal Bond Commission, with its principal office in Charleston, West Virginia, as Paying Agent for the Bonds.

5. The Certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the President of the Issuer are hereby approved and directed.

6. The Issuer hereby approves the initial deposit of proceeds of the Bonds or any portion thereof with the West Virginia State Treasurer's Consolidated Fund, Charleston, West Virginia, and directs the Board to take such actions as are appropriate to accomplish such deposit. The Treasurer is hereby further directed to invest such proceeds in a guaranteed investment contract or other guaranteed investment at such time as the Issuer may deem appropriate.

This Supplemental Resolution shall be effective immediately.

This Supplemental Resolution shall be effective immediately.

Adopted and entered this July 7, 2011.

THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

By: Cynthia Dale
Vice President

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by The Board of Education of the County of Calhoun (West Virginia) at a special meeting of the Board held at 12:30 p.m., on July 7, 2011, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Given under my hand this July 7, 2011.

By: Roger D. Scott
Secretary of The Board of Education
of the County of Calhoun

5

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2011

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, John M. Compton of CREWS & ASSOCIATES, INC. (the "Purchaser"), and Stephen Whited, President, and Roger D. Propst, Secretary, of THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN (the "Issuer"), hereby certify as follows:

1. On the 21st day of July, 2011, in Charleston, West Virginia, the Purchaser received the entire original issue of $3,560,000 in aggregate principal amount of The Board of Education of the County of Calhoun Public School Bonds, Series 2011 (the "Bonds"). The Bonds, as so received on original issuance, are in various denominations, are dated July 21, 2011, 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 Stephen Whited and Roger D. Propst, President and 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)	$3,560,000.00
Net Original Issue Premium	469.35
TOTAL	$3,560,469.35

Payment for the Bonds was made in Federal Funds in the amount of $3,489,269.35 on the date hereof, plus $71,200.00 previously paid in the form of a good-faith deposit (total of $3,560,469.35).

IN WITNESS WHEREOF, the _____ of CREWS & ASSOCIATES, INC., duly signed and delivered this receipt on behalf of the Purchaser, and THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN has caused this receipt to be executed by its President and Secretary, as of this 21st day of July, 2011.

CREWS & ASSOCIATES, INC.

By: _____
7-12-11

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

By: _____
President

By: _____
Secretary

6

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 ten (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 Calhoun, a corporation, the authority issuing the same, and upon the taxable property within the Calhoun 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 28th day of June, 2011.

Darrell V. McGraw

Attorney General of the
State of West Virginia

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-1 $80,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2012	129748 AR0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Eighty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-2 $115,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2013	129748 AS8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Fifteen Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-3 $120,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2014	129748 AT6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Twenty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-4 $125,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2015	129748 AU3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Twenty Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-5 $130,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2016	129748 AV1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Thirty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-6 $140,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2017	129748 AW9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Forty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-7 $145,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2018	129748 AX7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Forty Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-8 $150,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2019	129748 AY5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Fifty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-9 $160,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2020	129748 AZ2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Sixty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-10 $170,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2021	129748 BA6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Seventy Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-11 $175,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.25%	JULY 21, 2011	JUNE 1, 2022	129748 BB4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Seventy Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-12 $185,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.40%	JULY 21, 2011	JUNE 1, 2023	129748 BC2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Eighty Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-13 $195,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.60%	JULY 21, 2011	JUNE 1, 2024	129748 BD0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

One Hundred Ninety Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-14 $205,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.75%	JULY 21, 2011	JUNE 1, 2025	129748 BE8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Two Hundred Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-15 $215,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.85%	JULY 21, 2011	JUNE 1, 2026	129748 BF5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Two Hundred Fifteen Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-16 $225,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.90%	JULY 21, 2011	JUNE 1, 2027	129748 BG3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Two Hundred Twenty Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-17 $240,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.00%	JULY 21, 2011	JUNE 1, 2028	129748 BH1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Two Hundred Forty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-18 $250,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.10%	JULY 21, 2011	JUNE 1, 2029	129748 BJ7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Two Hundred Fifty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-19 $260,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.15%	JULY 21, 2011	JUNE 1, 2030	129748 BK4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Two Hundred Sixty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011
(WEST VIRGINIA)

NO. R-20 $275,000

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.20%	JULY 21, 2011	JUNE 1, 2031	129748 BL2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Two Hundred Seventy Five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, Calhoun 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 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 June 1 and December 1 in each year, beginning December 1, 2011 (each an "Interest Payment Date"). The Board has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of 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 Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2011" (the "Bonds"), issued by the Board in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000). The Bonds were authorized to be issued by a majority of voters at the special election held on March 4, 2011. 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 on April 11, 2011, for the purpose of providing funds for the acquisition, construction, rehabilitation and renovation of various schools, with all necessary appurtenances, situated in Calhoun 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.

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 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 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 Bonds maturing on or after June 1, 2022, are subject to redemption on or after June 1, 2021, 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.

The Board has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

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 CALHOUN 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 CALHOUN

(SEAL)

_____
President

_____
Secretary

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 ten (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 Calhoun, a corporation, the authority issuing the same, and upon the taxable property within the Calhoun 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 28th day of June, 2011.

Attorney General of the
State of West Virginia

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 Goodwin & Goodwin, 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: July 21, 2011.

UNITED BANK, INC., as Registrar

By: _____
Vice President

(FORM OF BOND COUNSEL OPINION)

GOODWIN & GOODWIN, LLP
Charleston, West Virginia

July 21, 2011

The Board of Education of the County of Calhoun
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151

Re: $3,560,000
The Board of Education of Calhoun County (West Virginia)
Public School Bonds, Series 2011

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of $3,560,000 Public School Bonds, Series 2011 (the "Bonds"), of Calhoun County School District, by and through The Board of Education of the County of Calhoun (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated upon delivery and original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of $5,000 or integral multiples thereof, and mature on June 1 in years and amounts and bear interest payable each June 1 and December 1, commencing December 1, 2011, as follows:

Year	Principal Amount	Interest Rate
2012	$ 80,000	3.25%
2013	115,000	3.25
2014	120,000	3.25
2015	125,000	3.25
2016	130,000	3.25
2017	140,000	3.25
2018	145,000	3.25
2019	150,000	3.25
2020	160,000	3.25
2021	170,000	3.25
2022	175,000	3.25
2023	185,000	3.40
2024	195,000	3.60
2025	205,000	3.75
2026	215,000	3.85
2027	225,000	3.90
2028	240,000	4.00

2029	250,000	4.10
2030	260,000	4.15
2031	275,000	4.20

The Bonds were authorized at a special election held in Calhoun County School District on March 4, 2011, and by a Resolution and Order adopted by the Issuer (the "Resolution") on April 11, 2011, 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 and equipping of various school projects, with all necessary appurtenances thereto, and for the renovation and rehabilitation of various public schools situated in Calhoun 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, certifications and opinions of the Issuer and its counsel contained in the Resolution 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 and other 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 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 the power and is obligated to levy ad valorem taxes upon all the taxable property within Calhoun 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 Calhoun 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.

Respectfully submitted,

GOODWIN & GOODWIN, LLP

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.

8

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2011

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and 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 Calhoun Public School Bonds, Series 2011, dated July 21, 2011, in the aggregate principal amount of $3,560,000 (the "Bonds") executed by the President and Secretary of The Board of Education of the County of Calhoun (the "Issuer") and bearing the official seal of the Issuer. The Bonds were authorized for issuance pursuant to a Resolution and Order adopted by the Issuer on April 11, 2011 (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 CUSIP numbers;

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

You are hereby requested and authorized to authenticate, register the Bonds in the name of "CEDE & CO." and hold the Bonds on behalf of The Depository Trust Company in New York, New York, for credit to Crews & Associates, Inc., as Purchaser thereof.

Dated as of this 21st day of July, 2011.

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

By: _____
President

$3,560,000
The Board of Education of the County of Calhoun
Public School Bonds, Series 2011

GENERAL CERTIFICATE OF THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN 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 Calhoun, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the $3,560,000 aggregate principal amount of The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011 (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 April 11, 2011 (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 or 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 two (2) bids

were received, the best bid being that of Crews & Associates, Inc., all as appears from the minutes on award of the Bonds, a copy of which is delivered herewith. The Bonds were thereupon awarded to Crews & Associates, Inc. (the "Purchaser"), at a par amount of $3,560,000, plus net original issue premium in the amount of $35,997.10, for a total purchase price of $3,595,997.10. The Bonds were signed by the 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 as follows:

Purchase Price	$3,560,000.00
Less: Good-Faith Deposit	(71,200)
Plus: Net Original Issue Premium	35,997.10
Amount received at Bond Delivery	3,524,797.10
Total Received	$3,595,997.10

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

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 Crews & Associates, Inc.

Certificate of Valuations

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, 2010, except as may be set forth in the Official Statement. The Board and the School District now have outstanding bonded indebtedness in the amount of $3,560,000. The unbonded indebtedness of the School District is for current expenses and can be paid from current levy funds. 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 Calhoun" and it is a validly existing school board and public corporation of the State of West Virginia, and constitutes the governing body of Calhoun County School District, in Calhoun 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:

Name and Office	Date of Commencement of Office	Date of Termination of Office
Stephen "Steve" Whited, President	July 1, 2010	June 30, 2014
Cynthia "Cindy" Dale, Vice President	July 1, 2008	June 30, 2012
Faye L. Barnhart	July 1, 2010	June 30, 2014
Joy M. Starcher	July 1, 2008	June 30, 2012
Mike Wilson	July 1, 2010	June 30, 2014

The duly appointed Superintendent and Secretary of the Issuer is Roger D. Propst, whose term expires June 30, 2014.

The Attorney for the Issuer is Bowles Rice McDavid Graff & Love LLP.

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 United Bank, Inc., as Registrar, and the Municipal Bond Commission of West Virginia, as Paying Agent.

WITNESS our signatures and the official corporate seal of THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN on this 20th day of July, 2011.

[SEAL]

Signature	Official Title
_____	President
Roger D. Propst	Secretary
Bowles Rice / David Graff & Love LLP	Attorney for Issuer

10

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN
PUBLIC SCHOOL BONDS, SERIES 2011

TAX AND NON-ARBITRAGE CERTIFICATE OF ISSUER

I, Stephen Whited, President of The Board of Education of the County of Calhoun, Charleston, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $3,560,000 aggregate principal amount of Public School Bonds, Series 2011, of the Issuer, dated July 21, 2011, upon original issuance (the "Bonds"), hereby certify as follows:

ARTICLE I

PRELIMINARY MATTERS

Section 1.1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the "Code"). I am one of the officers of the Issuer charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

Section 1.2. This certificate may be relied upon as the certificate of the Issuer.

Section 1.3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

Section 1.4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on July 21, 2011, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

Section 1.5. In the Resolution and Order pursuant to which the Bonds are issued (the "Resolution"), the Issuer has covenanted to make no use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 1.6. The Bonds were sold on July 21, 2011, to Crews & Associates, Inc. (the "Purchaser"), in Charleston, West Virginia, upon competitive bid, for an aggregate purchase price of $3,560,000 (100% of par), and a net original issue premium in the amount of $35,997.10 (total proceeds of $3,595,997.10).

Section 1.7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of paying a portion of the costs of acquisition,

construction and equipping of school projects in Calhoun County School District (the "Projects") and paying costs of issuance thereof.

ARTICLE II

THE PROJECTS AND USE OF BOND PROCEEDS

Section 2.1. No portion of the Projects will consist of any airplane, skybox or other luxury box, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

Section 2.2. All property financed with proceeds of the Bonds will be held by or on behalf of a qualified governmental unit, and the Projects will be operated solely for a public purpose as a governmental activity.

Section 2.3. The proceeds of the Bonds are being used to finance a portion of the Projects, consisting of acquisition, construction and equipping of school projects in Calhoun County School District, and to pay costs of issuance of the Bonds.

Section 2.4. No portion of the payments of principal or interest will be made, financed or secured by, directly or indirectly, 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.

Section 2.5. The Projects are used only in activities directly related to the Issuer's exempt purpose. No other person owns or uses the Projects to any material extent, including use through a management agreement, and neither the Issuer nor any other state or local government unit currently having an ownership interest in the Projects will transfer ownership of the Projects while the Bonds are outstanding.

ARTICLE III

REBATES

Section 3.1. The Issuer certifies that it is exempt from the rebate requirements of the Code as it is an issuer with general taxing power, which reasonably anticipates issuing no more than the $3,560,000 in bonds during calendar year 2011 in order to assure the continued tax-exempt status.

ARTICLE IV

FEDERAL GUARANTEES

Section 4.1. The Issuer represents that payment of principal of or interest on the Bonds is not guaranteed in whole or in part, directly or indirectly, by the United States (or any agency or instrumentality thereof), and no portion of the proceeds of the Bonds is to be invested, directly or indirectly, in federally insured deposits or accounts.

Section 4.2. The Issuer covenants that it will not enter into any contracts or agreements with the United States or any agency or instrumentality thereof that would cause the representations set forth in the preceding paragraph to be false.

ARTICLE V

ARBITRAGE COVENANTS

Section 5.1. The Issuer covenants that it will not make an investment or other use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" as that term is defined in Section 148 of the Code, and all applicable regulations promulgated with respect thereto, and that it will comply with the requirements of the Code and Regulations throughout the term of the Bonds. The Issuer shall not make any investment inconsistent with the foregoing covenants.

Section 5.2. The Issuer covenants to the Bondholders that it will not take any action, omit to take any action, or permit any other person to take any action or fail to take any action over which it has control, which action or inaction would cause the interest on the Bonds to be subject to Federal income tax to a greater extent than on the date of issuance of the Bonds.

Section 5.3. The Issuer shall, within six (6) months following delivery of the Bonds, enter into agreements, which require the Issuer to expend in excess of $100,000 on the Projects. Acquisition, construction and equipping of the Projects will commence on or prior to July 21, 2011, and will proceed with due diligence to completion, and all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Projects on or before July 21, 2014. Construction of the Projects is expected to be completed by July 21, 2014. If it becomes necessary to extend the period for completion of the construction of the Projects beyond their expected completion date, the Issuer and a licensed architect or engineer for the Issuer will execute a certificate, the form of which is attached hereto as Exhibit "A", providing for the extended period of time required to complete the acquisition, construction and equipping of the Projects.

Section 5.4. The total cost of the Projects is estimated at $9,216,162.00. The amount of project costs expected to be reimbursed or paid from sources other than proceeds of the Bonds and earnings thereon is estimated to be $5,656,162.00. Except for the proceeds of the Bonds, and earnings thereon prior to their expenditure for costs of the Projects, no other funds of the Issuer will be available to meet costs of the Projects, and no balances are available to meet such costs in any

account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

Section 5.5. Proceeds of the Bonds will be deposited in the Construction Fund and applied solely to payment of Costs of the Projects, including costs of issuance of the Bonds and related costs.

Section 5.6. All moneys in the Debt Service Account will be held for the payment of the interest to accrue on the Bonds on or prior to the maturity thereof. Moneys held in the Debt Service Account will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of construction of the Projects.

Section 5.7. Pursuant to the provisions of the Resolution and the laws of the State of West Virginia, the Issuer is obligated to make payments in amounts sufficient to provide for the payment of debt service on the Bonds when due. The Issuer will deposit tax revenues at least twice each year (in July and in September) with the Commission to be held and applied by the Commission as provided in this paragraph. The Commission will establish two accounts, the "Debt Service Account" and the "Surplus Collection Account" in connection with the Bonds. Upon receipt of the tax revenues from the Issuer, the Commission will deposit such revenues into the Debt Service Account. The Debt Service Account will be used primarily to achieve a proper matching of revenues and debt service within each bond year. Deposits to the Debt Service Account will be expended to pay debt service on the Bonds or transferred to the Surplus Collection Account within a 13-month period from the date of deposit. Any amount received from investment of monies held in the Debt Service Account will be expended to pay debt service on the Bonds or transferred to the Surplus Collection Account within a one-year period from date of receipt. The Debt Service Account will empty completely on July 1 of each year except for a reasonable carryover amount not to exceed 1/12th of annual debt service on the Bonds or one-year's earnings on the Debt Service Account. Except for the Debt Service Account and the Surplus Collection Account, the Issuer reasonably expects that there will be no other funds or accounts (i) which are reasonably expected to be used or to pay principal, premium, if any, and interest 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 if needed. The Issuer has not created or established and does not expect to create or establish any other sinking, reserve, replacement, debt service or other similar fund or account reasonably expected to be used, or to be available to pay, if needed, debt service on the Bonds. No amount in any account or fund of the Issuer (other than amounts held under the provisions of the Resolution) is reserved or pledged for the payment of debt service on the Bonds, and it is not expected that any other such account or fund will be so used and there is no reasonable assurance that any portion of any other account or fund will be available to pay debt service on the Bonds if needed. As of the date hereof, the Issuer does not reasonably expect to receive from any federal, state, individual, or other source, any gift, bequest, grant, reimbursement or amount with respect to the Projects, which gift, bequest, grant, reimbursement or amount has not been considered in determining the principal amount of the Bonds and will be reserved or pledged, contrary to the provisions of the Code, as collateral or security for the payment of debt service on the Bonds. No portion of the proceeds of the Bonds will be used as a substitute for other funds, which would otherwise have been used to pay the principal of or interest on the Bonds and which will be used directly or indirectly to acquire obligations producing a yield in excess of the yield on the Bonds.

Section 5.8. Funds in the Debt Service Account will be invested without regard to restrictions on yield. Funds in the Surplus Collection Account will be invested at a restricted yield not in excess of the yield on the Bonds.

Section 5.9. The Issuer expects that no part of the Projects financed by Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

Section 5.10. With the exception of the amounts deposited in the Debt Service Account for payment of interest on the Bonds, all of the proceeds of the Bonds will be expended on the Projects within 5 years from the date of issuance thereof.

Section 5.11. Any money deposited in the Debt Service Account for payment of the principal of or interest on the Bonds will be spent within a 13-month period beginning on the date of receipt.

Section 5.12. The Issuer shall rebate to the United States the amounts required by the Code and shall take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of the interest on the Bonds.

Section 5.13. The Issuer has general taxing powers to finance operations of facilities of the nature of the Projects, and the Issuer reasonably expects to issue no more than $3,560,000 of tax-exempt bonds during the calendar year in which the Bonds are to be issued and, in fact have issued no other tax-exempt obligations during the current calendar year.

Section 5.14. The Issuer will take all further actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 5.15. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

Section 5.16. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

Section 5.17. Goodwin & Goodwin, LLP is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of the Bonds.

IN WITNESS WHEREOF, I have set my hand this 21st day of July, 2011.

President, The Board of Education
of Calhoun County, West Virginia

Exhibit "A"

$3,560,000
The Board of Education of the County of Calhoun
Public School Bonds, Series 2011 (the "Bonds")

CERTIFICATE OF ISSUER AND LICENSED ARCHITECT
FOR ISSUER AS TO TIME NECESSARY TO COMPLETE PROJECTS

We, Stephen Whited, as President of the Board of Education of Calhoun County, West Virginia (the "Issuer"), and _____, a licensed architect for the Issuer, hereby certify that the acquisition, construction and equipping of the Projects, as defined in the Tax and Non-Arbitrage Certificate executed on behalf of the Issuer on July 21, 2011, at closing on the issuance of the Bonds, the proceeds of which are being used to finance the acquisition, construction and equipping of the Projects, will require a period of not more than five (5) years from the date of issuance of the Bonds for completion of the Projects. This Certificate is delivered in satisfaction of the requirements of Section 1.148-2 of the Internal Revenue Code of 1986, as amended.

Dated this ___ day of _____, 201_.

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

By: _____
President

By: _____
Licensed Architect

CERTIFICATE OF VALUATION

I hereby certify that the attached Certificate of Valuation dated March 2, 2011, is a true and correct copy of the original issued by the Assessor of Calhoun County.

Given under my hand as of the 21st day of July, 2011.

Assessor

STC 12:40 (01/02)

CERTIFICATE OF VALUATION

School Board (Levying Body) **Calhoun** (County)

TO: **Roger Propst**
(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 assessment year **2011**

	Column A Assessed Value Including Back Tax And New Property (Total)	Column B All Other Exempt Value (excluding P U)	Column C Gross Assessed (Col A Plus Col B) (County Classification Purposes Only)	Column D Homestead Exempt Value	Column E Assessed Valuation For Tax Purposes (w/o Homestead & Exempt) (Col A Minus Col D)
Class I					
Personal Property			0		0
Public Utility Property			0		0
Total Class I	0	0	0		0
Class II					
Real Estate	92,153,500	145,490	92,298,990	18,959,600	73,193,900
Personal Property	916,391		916,391	165,895	750,496
Total Class II	93,069,891	145,490	93,215,381	19,125,495	73,944,396
Class III					
Real Estate	39,133,320	12,330,040	51,463,360		39,133,320
Personal Property	73,793,012	23,975	73,816,987		73,793,012
Public Utility Property	24,568,452		24,568,452		24,568,452
Total Class III	137,494,784	12,354,015	149,848,799		137,494,784
Class IV					
Real Estate	3,964,070	2,565,700	6,529,770		3,964,070
Personal Property	3,070,481		3,070,481		3,070,481
Public Utility Property	3,075,344		3,075,344		3,075,344
Total Class IV	10,109,895	2,565,700	12,675,595		10,109,895
TOTAL FOR LEVYING BODY	240,674,570	15,065,205	255,739,775	19,125,495	221,549,075

Given under our hands this **2nd** day of **March**, **2011**

County Clerk

Assessor

NOTE: The above certificate must be in the hands of the levying body no later than March 3. (Section 6, Article 3, Chapter 11, Code of 1931, as amended.) The Assessor is required to certify the valuation of real estate and personal property and the County Clerk is required to certify the value of public utility property as assessed by the Board of Public Works. To avoid confusion this joint certificate is to be used.

When completed, submit original copy to the levying body, printed copy to the Department of Tax and Revenue, Property Tax Division, P.O. Box 2389, Charleston, WV 25328-2389, printed copy to the State Auditor's Office, Local Government Services Division, 200 W Main St, Clarksburg, WV 26301, and retain a printed copy for your office file. Only a printed copy of the Board of Education page should be forwarded to the State Department of Education.

Original signed copy - Levying Body
Photocopy - Tax Dept.
Photocopy - Auditor's Office
Photocopy - Retain
Photocopy - Board of Ed. Only - State Dept. of Education

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, WEST VIRGINIA
PUBLIC SCHOOL BONDS
SERIES 2011

CERTIFICATE OF BONDED INDEBTEDNESS

I, Roger D. Propst, Superintendent of Schools of the County of Calhoun and Secretary of the Board of Education of said County, hereby certify that the Calhoun County School District had $670,000 in outstanding bonded indebtedness as of December 14, 2010, the date on which said Board entered an order submitting the question of issuance of $3,560,000 Public School Bonds to an election (which election was held on March 4, 2011, and resulted in approval by the voters of Calhoun County School District of issuance of such Bonds).

The assessed valuation of taxable property in Calhoun County School District at said date was $235,716,244 and five percent (5%) thereof is $11,785,812.

WITNESS my signature and the seal of said Board on this the 20th day of July, 2011.

Roger D. Propst

Superintendent and Secretary of
The Board of Education of Calhoun
County, West Virginia

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2011

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 July 7, 2011, 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, at least ten percent (10%) of the Bonds were sold 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 Certificate relating to the Bonds, and by Goodwin & Goodwin, LLP in rendering their tax opinion with respect to the Bonds.

Dated: July 21, 2011

CREWS & ASSOCIATES, INC.

By: _____
7-12-11

$3,560,000
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2011

REGISTRAR AND AUTHENTICATING AGENT'S CERTIFICATE

The undersigned, Nicholas Oxley, as Assistant Vice President of UNITED BANK, INC., Charleston, West Virginia, a state banking corporation (the "Bank"), hereby certifies as follows with respect to the above-captioned Bonds (the "Bonds"):

1. The Bank has full power and authority to enter into and carry out the provisions of the Registrar's Agreement, dated July 21, 2011, by and between The Board of Education of the County of Calhoun (the "Issuer") and the Bank (the "Agreement").

2. The persons whose titles, names and signatures are set forth below hold the positions, by election or appointment by the Board of Directors of the Bank shown opposite their respective names, and such persons have been named and designated as authorized officers 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.

Title	Name	Signature
Vice President	Kathy Smith	Kathy Smith

3. 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.

4. 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 the Bank, on behalf of Crews & Associates, Inc., as original purchaser thereof.

5. The Bank has received from the Issuer on the date hereof the Bonds, in the respective numbers and denominations, maturing on June 1 of such years, and bearing interest at such rates, all as set forth in the Official Statement dated July 7, 2011, relating thereto. At the time of such receipt, each Bond bore the original or facsimile signature of the President of the Issuer and the seal of the Issuer had been impressed or affixed thereto and attested by the original or facsimile signature of the Secretary of the Issuer.

6. The Bank has duly authenticated the Bonds originally issued on July 21, 2011, 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 Goodwin & Goodwin, 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: /s/ Kathy Smith
Vice President

Dated: July 21, 2011

WITNESS MY SIGNATURE as of the 21st day of July, 2011.

UNITED BANK, INC.

By: _____
Assistant Vice President

LAW OFFICES
GOODWIN & GOODWIN, LLP
300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678
P. O. BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107
TELEPHONE (304) 346-7000
TELECOPIER (304) 344-9692
www.goodwingoodwin.com

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
(304) 485-2345

P.O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

July 21, 2011

The Board of Education of the County of Calhoun
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151

Crews & Associates, Inc.
First Security Center
521 President Clinton Avenue, Suite 800
Little Rock, AR 72201

Re: $3,560,000 The Board of Education of Calhoun County (West Virginia), Public School Bonds, Series 2011

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of $3,560,000 Public School Bonds, Series 2011 (the "Bonds"), of Calhoun County School District, by and through The Board of Education of the County of Calhoun (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated July 21, 2011, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are in denominations of $5,000 or integral multiples thereof, and mature on June 1 in years and amounts and bear interest payable each June 1 and December 1, commencing December 1, 2011, at the rates set forth in the Official Statement of the Issuer, dated July 7, 2011.

The Bonds were authorized at a special election held in Calhoun County School District on March 4, 2011, and by a Resolution and Order adopted by the Issuer (the "Resolution") on April 11, 2011, 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 thereto, in the Calhoun County School District, and paying costs of issuance of the Bonds and related costs.

As to questions of fact material to our opinion, we have relied upon the representations, covenants, certifications and opinions of the Issuer and its counsel 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 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 the power and is obligated to levy ad valorem taxes upon all the taxable property within the Calhoun 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 (including any original issue discount properly allocable to an owner thereof) 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. 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, the Tax Certificate and the certified proceedings and other certifications 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. To the extent the Bonds are not deemed designated as qualified tax-exempt obligations pursuant to the provisions of Section 265(b)(3)(D)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than Ten Million Dollars ($10,000,000) of tax-exempt obligations during the calendar year 2011. Subject to compliance by the Issuer with certain covenants and based upon certain representations made by the Issuer, we are of the opinion that the Bonds are qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

5. Under the Act, the Bonds are exempt from direct taxation by the State of West Virginia or any political subdivision thereof.

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.

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.

Respectfully submitted,

Goodwin + Goodwin, LLP

GOODWIN & GOODWIN, LLP

LAW OFFICES
GOODWIN & GOODWIN, LLP
300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678
P. O. BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107
TELEPHONE (304) 346-7000
TELECOPIER (304) 344-9692
www.goodwingoodwin.com

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
(304) 485-2345

P.O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

July 21, 2011

Calhoun County Board of Education
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151

Ladies and Gentlemen:

We have examined a transcript of proceedings relating to the issuance of $3,560,000 aggregate principal amount of Public School Bonds, Series 2011 (the "Bonds") of The Board of Education of the County of Calhoun (the "Issuer"), and a "Tax and Non-Arbitrage Certificate of Issuer" (the "Certificate") 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 that 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 condition that the Issuer will 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.

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

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

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

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

Bowles Rice
McDavid Graff & Love LLP
ATTORNEYS AT LAW

600 Quarrier Street
Charleston, West Virginia 25301

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

www.bowlesrice.com

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

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

July 21, 2011

The Board of Education of the
County of Calhoun
540 Alan B. Mollohan
Mt. Zion, West Virginia 26151

Goodwin & Goodwin, LLP
Post Office Box 2107
Charleston, West Virginia 25328

Re: $3,560,000 The Board of Education of the County of Calhoun
[West Virginia] Public School Bonds, Series 2011

Ladies and Gentlemen:

We are Special Counsel to the Board of Education of the County of Calhoun, West Virginia (the "Board") with respect to the issuance and sale of its $3,560,000 Public School Bonds, Series 2011 (the "Bonds").

We have reviewed copies of the approving opinion of Goodwin & Goodwin, 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 Calhoun 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 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 Calhoun 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.

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 Calhoun 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 McDavid Graff & Love LLP

OFFICIAL MINUTES
SPECIAL MEETING
CALHOUN COUNTY BOARD OF EDUCATION

July 7, 2011

STATE OF WEST VIRGINIA At Calhoun Board of Education, Mt. Zion, WV;

COUNTY OF CALHOUN: Thursday, July 7, 2011

MEMBERS PRESENT: Cynthia Dale, Joy Starcher, Faye Barnhart, Roger Propst, Superintendent

ABSENT: Stephen Whited, Mike Wilson

The meeting was called to order by Vice President, Cynthia Dale at 12:30 p.m.

Pledge of Allegiance

New Business:

Mrs. Starcher moved and Mrs. Barnhart seconded to approve West Virginia Public Schools Bond Series 2011 Supplemental Resolution. Motion carried 3-0.

A. Resolution and the Order Directing Issuance of Bonds

Adjournment

Mrs. Barnhart moved and Mrs. Starcher seconded to adjourn the meeting at 12:45 p.m. Motion carried 3-0.

Future Board Meeting Date:

- July 18, 2011, 7:00 p.m., Regular Meeting, Calhoun Board of Education

Roger D. Propst
Secretary

President

Others Present:
Cheryl Jarvis
Robyn Gordan

CERTIFICATE OF BOARD MEETING MINUTES

I, Roger D. Propst, Superintendent of Schools of the County of Calhoun and Secretary of the Board of Education of said County, hereby certify that the Board Meeting Minutes of the meetings held on December 13, 2010 and January 10, 2011, copies of the original of which are attached hereto, were approved by the Calhoun County Board of Education at meetings held on December 13, 2010 and January 10, 2011, at which a quorum was present and acting throughout, and remain in full force and effect as approved by said Board of Education.

WITNESS my signature and the seal of said Board on this the 15th day of April, 2011.

(SEAL)

Roger D. Propst

Superintendent and Secretary of
The Board of Education of Calhoun
County, West Virginia

OFFICIAL MINUTES
REGULAR MEETING
CALHOUN COUNTY BOARD OF EDUCATION

December 14, 2010

STATE OF WEST VIRGINIA At the Office of the Superintendent, Mt. Zion, WV;

COUNTY OF CALHOUN: Tuesday, December 14, 2010

MEMBERS PRESENT: Stephen Whited, Cynthia Dale, Joy Starcher, Faye Barnhart, Mike Wilson, and Roger Propst, Superintendent

ABSENT: None

The meeting was called to order by President, Stephen Whited at 7:00 p.m.

Pledge of Allegiance

Mr. Wilson moved and Mrs. Starcher seconded to approve the minutes of November 8, 2010. Motion carried unanimously.

Delegations/Presentations: *None*

Reports:

A. **Calhoun-Gilmer Career Center (11/16/10)** – Roger Propst
B. **RESA FIVE (11/17/10)** – Joy Starcher
C. **Safe and Supportive Schools (S3) Grant Memorandum of Understanding** – Roger Propst

Old Business: *None*

New Business:

Mrs. Dale moved and Mrs. Starcher seconded to approve Items A-B under New Business. Motion carried unanimously.

A. **Approval for Content Standards and Objectives (CSO's) for second semester course Sociology**

B. **Conversion of ISE Days (CMHS)**
   1. December 9, 2010 (4:00–7:00 p.m.); *(In Lieu of 12/23/10)*
   2. December 16, 2010 (4:00–7:00 p.m.); *(In Lieu of 12/23/10)*
   3. January 6, 2011 (2 hours); *(In Lieu of 12/23/10)*
      (Alternative weather date – January 11, 2011)

Mr. Wilson moved and Mrs. Dale seconded to approve Item C. Motion carried unanimously.

C. **Bond Election Order**

Mrs. Dale moved and Mrs. Barnhart seconded to approve Items D-G. Motion carried unanimously.

D. Volunteer Agreement (FY2010-2011)

1. Rebecca Boothe – CMHS
2. Tina Brannon – CMHS, AES
3. Tiffany Davis – PHE
4. Melissa Dennison – PHE
5. Gaylen Duskey - CMHS
6. Carroll "Biff" Healy - PHE
7. Jamie Helmic – AES
8. Geraldine Hupp – PHE
9. Shelvia Jones – CMHS
10. Melinda Lamb – CMHS
11. Brunilda Murquez – CMHS, PHE
12. Stephanie Metheney – AES
13. Kristen Murphy – PHE
14. Twila Nicholas – AES
15. Lisa Page – AES, CMHS
16. Sherry Patterson – CMHS
17. Emma Richards- CMHS
18. Ronda Rose – PHE
19. Lori Wagoner – PHE
20. Lisa Walker – PHE, CMHS
21. Sue Williams - PHE
22. Debra Yeager - PHE

E. Student Transfers (FY2010-2011)

1. Parent: Bobbie Stout, Grade 5 (Calhoun to Roane)

F. Early Graduation (FY2010-2011)

1. Clayton Bell (January)

G. Special Community Board Meetings – School Bond Election

1. January 27, 2011 – Pleasant Hill Elementary (Following LSIC Special Meeting)
2. February 17, 2011 – Calhoun Middle-High School, 7:00 p.m.
3. February 24, 2011 – Arnoldsburg Elementary (Following LSIC Special Meeting)

Personnel:

Mr. Wilson moved and Mrs. Starcher seconded to approve Items A-B under Personnel. Motion carried unanimously.

A. Job Postings (FY2010-2011)

Interim E-Mail Prior Approval of BOE (Posted 11/09/10 – Open Until Filled)

1. Substitute School Nurse (Calhoun County Schools) (2nd Posting)
2. Heads Up Coordinator (Calhoun County Schools) (3rd Posting)

B. Employment (FY2010-2011)

1. Gina Freed, Elementary Teacher, AES (Effective FY2011-2012)
2. Tyson Price, County Technology Integration Specialist (Effective 12/15/10)
3. Rosemary Stalnaker, Substitute School Nurse (Effective 12/15/10)
4. Tiffany B. Davis, Substitute School Nurse (Effective 12/15/10)
5. Trudi Anderson, Substitute School Nurse (Effective 12/15/10)
6. John Bugby, Heads Up Coordinator, Extra Curricular Position (Effective 12/15/10)
7. Ada Overbaugh, Heads Up Instructor (Effective 1/3/11)

Mrs. Dale moved and Mrs. Starcher seconded to enter into Executive Session for Items C-D at 7:16 p.m. Motion carried unanimously. Mrs. Dale moved and Mrs.Barnhart seconded to return from Executive Session at 8:52 p.m. Motion carried unanimously.

C. Executive Session: Discussion – Employee Grievance Resolution

D. Executive Session: Discussion – Parents Complaint

No action was taken on items C-D upon reconvening the regular session.

Finance:

Mrs. Dale moved and Mrs. Starcher seconded to approve Items 1-5. Motion carried unanimously.

1. Invoices - $508,356.36
2. Supplements - $10,281.00
3. Transfers - $311,835.00
4. November Financial Statement
5. Superintendent Approval to Pay All Bond Election Invoices From County Clerk.

Board Concerns:

- **Mr. Wilson:** Expressed concerns relating to the after-school Strength and Conditioning program. He would like to see better participation of athletes during the "off season" and encouragement by all athletic coaches stressing the importance of this program in development of skills and agility.

- **Mr. Wilson:** Complimented Mr. Pitts for his efforts in working with the Department of Highways and Mr. Propst to assure safety of students when weather conditions are in question. He expressed that he has done an excellent job and commended his efforts.

- **Mrs. Dale:** Thanked Mr. Propst for the Policy Manuals requested by the Board. Mr. Propst commended the Director of School Improvement and her secretary for the work in organizing and printing the manuals.

- **Mr. Whited:** Was complimentary of our new County Website, Edline and all the capabilities it offers parents.

- **Mr. Propst:** Spoke about the Parent Link capabilities. A press release was submitted to the Calhoun Chronicle and Hur Herald explaining the capabilities and procedures for communicating with parents using this program. The release also indicated this program is funded by a Safe Schools grant.

Adjournment:

Mr. Wilson moved and Mrs. Dale seconded to adjourn the meeting at 9:05 p.m. Motion carried unanimously.

Future Board Meeting Dates:

- January 10, 2011, Regular Meeting, 7:00 p.m., Calhoun Board of Education
- January 27, 2011, Special LSIC Meeting and Special Community Board Meeting for School Bond Election, 7:00 p.m., Pleasant Hill Elementary

Roger D. Propst
Secretary

President

Others Present:
Cheryl Jarvis
Karen Kirby
Timothy Davis
Kathryn Nichols
Patrick Bell
Donald Pitts

OFFICIAL MINUTES
REGULAR MEETING
CALHOUN COUNTY BOARD OF EDUCATION

January 10, 2011

STATE OF WEST VIRGINIA At the Office of the Superintendent, Mt. Zion, WV;

COUNTY OF CALHOUN: Monday, January 10, 2011

MEMBERS PRESENT: Stephen Whited, Cynthia Dale, Joy Starcher, Faye Barnhart, Mike Wilson, and Roger Propst, Superintendent

ABSENT: None

The meeting was called to order by President, Stephen Whited at 7:00 p.m.

Pledge of Allegiance

Mr. Wilson moved and Mrs. Starcher seconded to approve the minutes of December 14, 2010. Motion carried unanimously.

Amendment: Personnel, B. Employment, Items 2-6:
Effective date of hire from 12/14/10 to 12/15/10
(Snow Day on 12/13/10; Regular meeting date was moved to 12/14/10)

Delegations/Presentations: *None*

Reports*:*

A. **Calhoun-Gilmer Career Center (12/21/10)** - Steve Whited

B. **RESA FIVE (12/15/10)** – Joy Starcher

C. **Technology** – Carla Taylor/Bonnie Sands
New Teacher Laptops and Acceptable Use Policy.

Old Business*: None*

New Business*:*

Mrs. Dale moved and Mrs. Starcher seconded to approve Items A-C under New Business. Motion carried unanimously.

A. **Approval of March 4, 2011, Special School Bond Election Emergency Absentee Ballot Commissioners**
   1. Terry Hickman – Democrat Party
   2. Angelia Bain – Republican Party

B. Approval of March 4, 2011, Special School Bond Election Officials and Alternates

1. **Democrats**
   a. Janet Cunningham
   b. Judy Morton
   c. Connie McCartney
   d. Kelly Whytsell
   e. Shelly Stevens
   f. Loretta Stevens
   g. Shena Heiney
   h. Naomi Toler
   i. Amy Nicholson
   j. Debra Nicholson
   k. Marlene Webb
   l. Fred Kerby
   m. Janet Gherke
   n. Janet Heiney
   o. Janet Starcher Gherke
   p. Randall Ball
   q. Violet Hardway
   r. Betty Craddock
   s. Medeta Ball
   t. Teresa S. Harris
   u. Dawn Burris
   v. Jenna Jett
   w. Leslie Fox
   x. Angela Cunningham
   y. Megan Cain
   z. Crissy Johnson
   aa. Glenna Perkins
   bb. Mary Watkins
   cc. Lynda Jarvis
   dd. Sherry Watkins
   ee. Edna Zwoll
   ff. Marty Park
   gg. Sherry Wade

2. **Republicans**
   a. Carlene Frederick
   b. Richard Trites
   c. TaLonne Mefford
   d. Emma Howell
   e. Beth Stull
   f. Joann Dunn
   g. Barbara Roberts
   h. Judy Wolfram
   i. Irene Conrad
   j. Barbara Duskey

k. Teressa Thompson
l. J.J. Bremar
m. Cheryl Cheesbrew
n. Marilyn Barr
o. Samara Keith
p. Linda McCartney
q. Norma Shartiger
r. Robin Gordon
s. Pamela Davis
t. Timothy Davis
u. Rita Kennedy
v. Elbert Steele
w. Tyler Shartiger
x. Jennifer Hall

C. Volunteer Agreement (FY2010-2011)
1. Amy Bennett – PHE
2. Oras Wade, Jr. – CMHS

Mr. Wilson moved and Mrs. Barnhart seconded to approve Item D. Motion carried unanimously.

D. Resolution – Governor's Community Participation Grant:
Calhoun Gilmer-Career Center

Personnel:

Mrs. Dale moved and Mrs. Starcher seconded to enter into executive session at 7:39 p.m. to discuss Items A-B. Motion carried unanimously.

A. Executive Session: Discussion and Possible Resolution – Employee Grievance

B. Executive Session: Discussion - Parents Complaint

Mrs. Dale moved and Mrs. Barnhart seconded to return to regular session at 8:13 p.m. Motion carried unanimously. Item A will be an action item on the 1/27/2011, Special Board meeting agenda at Pleasant Hill Elementary School.

Mr. Wilson moved and Mrs. Dale seconded to approve Items C-E. Mr. Propst recommended the Board pro-rate and agree on compensating the coaches hired as Head and Assistant Varsity Football Coaches for duties performed at June 2011 practices. It was recommended by the Board the postings be placed on the West Virginia Department of Education Job Site as well as the Parkersburg News. Motion carried unanimously.

C. Resignations

1. Doyle Hupp, Head Varsity Football Coach, CMHS (Effective 01/11/11)
2. Michael Stump, Assistant Varsity Football Coach, CMHS (Effective 01/11/11)
3. Donald Wilson, Assistant Varsity Baseball Coach, CMHS (Effective 01/11/11)

D. Employment – Tristian Stevens, Student Tutor (CMHS) (Effective 1/03/11)

E. Job Postings (FY2010-2011)

1. Head Varsity Football Coach, CMHS
2. Assistant Varsity Football Coach, CMHS
3. Assistant Varsity Baseball Coach, CMHS

Finance:

Mrs. Barnhart moved and Mrs. Starcher seconded to approve Items 1-4. Motion carried unanimously.

1. Invoices - $315,410.55
2. Supplements - $69,315
3. Transfers - $379,093.00
4. December Financial Statement

Board Concerns:

- **Mr. Wilson:** None
- **Mrs. Barnhart:** None
- **Mrs. Starcher:** None
- **Mrs. Dale:** None
- **Mr. Whited:** None
- **Mr. Propst:** Reported that five of the six days available in the school calendar for conversion to instructional have already been used. ParentLink communication systems seems to be a valuable tool in notifying parents of school delays and closures.

Adjournment:

Mrs. Dale moved and Mr. Wilson seconded to adjourn the meeting at 8:20 p.m. Motion carried unanimously.

Future Board Meeting Dates:

- January 27, 2011, 7:00 p.m., Special LSIC/Personnel Meeting and Special Community Board Meeting for School Bond Election, **Pleasant Hill Elementary**
- February 14, 2011, 7:00 p.m., Regular Meeting, **Calhoun Board of Education**
- February 17, 2011, 7:00 p.m., Special Community Board Meeting for School Bond Election, **Calhoun Middle-High School**

- February 24, 2011, 7:00 p.m., Special LSIC/Personnel Meeting and Special Community Board Meeting for School Bond Election, **Arnoldsburg Elementary**

Secretary

President

Others Present:
Cheryl Jarvis
Robyn Gordon
Carla Taylor
Bonnie Sands
Patrick Bell
Bernard Miller
Jeannie Wade
Kaylea Bennett

OFFICIAL LEVY BALLOT

BOARD OF EDUCATION OF CALHOUN COUNTY
SCHOOL BOND ELECTION
FRIDAY, MARCH 4, 2011

SAMPLE BALLOT

"Shall the Board of Education of the County of Calhoun incur debt and issue bonds in the amount of $3,560,000.00, maturities on such bonds to run not more than twenty (20) years and six (6) months from the date of such bonds, with interest not exceeding the rate of six and 50/100 percent (6.50%) per annum, payable semiannually, subject to redemption prior to maturity, in whole or in part, on terms established by the Board, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing, equipping, consolidating and/or relocating of the projects described below, all for the general purpose of providing adequate, safe and convenient facilities for the Calhoun County School District:

Calhoun County Middle/High School Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School Construct a new elementary school containing approximately 36,624 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 218 students in grades PK-4.	Property to be acquired by Board of Education within 1 mile of the existing Arnoldsburg Elementary School.	Bond Funds $ 2,814,758
Total Bond Costs		**$3,560,000**

The above amounts consist of an aggregate of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000.00) of bond proceeds. In addition, the Board has requested grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Five Million Six Hundred Fifty-six Thousand One Hundred Sixty-two and 00/100 Dollars ($5,656,162.00). The total amounts to be expended by the Board from all sources will be Nine Million Two Hundred Sixteen Thousand One Hundred Sixty-two and 00/100 Dollars ($9,216,162.00).

In the event the Board does not receive a written commitment from the School Building Authority of West Virginia to provide Grant Funds as aforesaid, the Board may elect not to issue the Bonds, and consequently, the Board will not levy taxes to provide funds for the payment of said Bonds.

After providing for the administration of instruction in the Calhoun County schools and meeting the current expenses thereof required by law, current funding is insufficient to finance the comprehensive renovation and construction program described above. Therefore, the Board finds it necessary to incur debt and issue bonds to provide the above stated funds for such projects.

The amounts described above include the costs of acquiring real estate and rights-of-way, if any, engineering and architectural costs, environmental remediation costs, construction costs including but not limited to the cost of using county maintenance personnel, the costs of demolition, the costs and estimated costs of the issuance of the Bonds, capitalized interest, if necessary, interest during construction and such other costs, fees and expenses as shall be necessary and/or properly incurred in carrying out the foregoing projects. If for any reason any portion of the above-enumerated projects cannot be constructed, carried out, or completed, the amounts above set out for each such project and any sums remaining unused upon completion of the foregoing projects shall be allocated by the Board in its discretion, to be expended for any one or more remaining items associated with the above-enumerated construction projects, as provided by Section 6(a), Article 1, Chapter 13 of the Code of West Virginia of 1931, as amended. In the event the Board shall obtain additional money by grant or otherwise from the State or Federal government, or from any agency of either, or from any other source, for use in the acquisition, remediation, construction, renovation, improvement, demolition, paving, furnishing and/or equipping of the above-enumerated projects, such additional money shall be used either in substitution for or in addition to the proceeds of the sale of the Bonds proposed hereby, as shall be determined by the Board and the granting body or agency.

And shall the Board levy taxes sufficient to pay the interest on and the principal of such Bonds?"

☐ FOR THE PROPOSITION

☐ AGAINST THE PROPOSITION

INSTRUCTION TO VOTERS: To vote in favor of the proposition submitted on this ballot, mark an "X" in the square beside the words "FOR THE PROPOSITION."; to vote against the proposition submitted on this ballot, mark an "X" in the square beside the words "AGAINST THE PROPOSITION."

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

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 Series 2011 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. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2011 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein

$3,560,000
The Board of Education of the County of Calhoun (West Virginia) Public School Bonds, Series 2011

Dated: Date of Delivery

Due: June 1, as shown below

The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds") are general obligations of The Board of Education of the County of Calhoun, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Calhoun County School District to pay the Series 2011Bonds and the interest thereon, without limitation as to rate or amount.

The Series 2011 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 Series 2011 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 Series 2011 Bonds will not receive certificates representing their interests in the Series 2011 Bonds.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Series 2011 Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated United Bank, Inc., Charleston, West Virginia, as Registrar.

Interest on the Series 2011 Bonds will be payable on December 1, 2011 and semiannually thereafter (each June 1 and December 1) in each year until maturity. The principal of and interest on the Series 2011 Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Series 2011 Bonds, as described herein.

The Board has designated the Series 2011 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In the opinion of Bond Counsel, the Series 2011 Bonds are "qualified tax-exempt obligations" and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2011 Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2011 Bonds is deductible for federal income tax purposes.

The Series 2011 Bonds are subject to redemption prior to maturity as described herein.

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS

Maturing (June 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP* Base #:	Maturing (June 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP* Base #:
2012	80,000				2022	175,000			
2013	115,000				2023	185,000			
2014	120,000				2024	195,000			
2015	125,000				2025	205,000			
2016	130,000				2026	215,000			
2017	140,000				2027	225,000			
2018	145,000				2028	240,000			
2019	150,000				2029	250,000			
2020	160,000				2030	260,000			
2021	170,000				2031	275,000			

The Series 2011 Bonds are offered for delivery when, as and if issued, subject to approval of legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board. It is expected that the Series 2011 Bonds will be available for delivery to DTC, New York, New York on or about July 21, 2011.

Sale Date: July 7, 2011

*See inside cover for footnote

$3,560,000
The Board of Education of the
County of Calhoun (West Virginia)
Public School Bonds, Series 2011

ELECTED OFFICIALS

Steve Whited, President
Cynthia Dale, Vice President
Joy Starcher, Board Member
Faye Barnhart, Board Member
Michael Wilson, Board Member

APPOINTED OFFICIALS

Roger D. Propst, Superintendent
Patricia Riddle, Treasurer

BOARD'S COUNSEL

Bowles Rice McDavid Graff & Love LLP
Charleston, West Virginia

BOND COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

FINANCIAL ADVISOR

Raymond James & Associates, Inc.
Charleston, West Virginia

*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 Series 2011 Bonds only at the time of issuance of the Series 2011 Bonds. Neither the Underwriters nor the Board makes any representation with respect to the accuracy of such CUSIP numbers as indicated in the above table or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2011 Bonds.

No dealer, broker, salesman or other person has been authorized by the Board 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 there any sale of the Series 2011 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.

TABLE OF CONTENTS

INTRODUCTION 1
SERIES 2011 BONDS 1
General 1
Optional Redemption 2
Authority and Purpose 2
Nature of Obligation, Security and Source of Payments 3
Debt Administration 3
SCHOOL DISTRICT 4
General 4
Historical School Enrollment 4
Projected Enrollment 5
Facilities 5
Tax Collection Procedures 5
Tax Levies and Collections 6
Assessment Procedure 6
Property Classification 7
Assessed Valuations 7
Assessed Valuation by Property Class 7
Assessed Valuation by Property Category 7
Largest Assessed Valuations 8
Tax Rate Comparisons 8
County Tax Rates 8
School Tax Rates 9
Rates of Levy 9
Summary of Statistical Debt Information 10
Debt Service Requirements 11
Overlapping Debt 11
CERTAIN FINANCIAL INFORMATION 12
Description of Funds 12
Investment of Certain Funds 12
Accounting Practices 12
Annual Audit 13
Budgetary Procedures 13
Internal Control 13
Statement of Revenues and Expenditures – Budget and Actual 14
Insurance Coverage 15
Teachers Retirement Systems 16
TAX MATTERS 17
LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM 18
LITIGATION 19
CONTINUING DISCLOSURE 20
LEGAL MATTERS 20
SALE AT COMPETITIVE BIDDING 20
RATING 20
FINANCIAL ADVISOR 21
CONCLUDING STATEMENT 21
APPENDIX A
Audit Report of Calhoun County Board of Education for the Fiscal Year Ended June 30, 2010
APPENDIX B
Economic and Demographic Data – County of Calhoun (West Virginia)
APPENDIX C
Proposed Form of Legal Opinion
APPENDIX D
Proposed Projects
APPENDIX E
Book-Entry Only System
APPENDIX F
Elected Officials of the Board
Appointed Officials of the Board
APPENDIX G
Continuing Disclosure Agreement
APPENDIX H
Official Notice of Sale
Official Form of Proposal

This page left intentionally blank.

OFFICIAL STATEMENT
RELATING TO

$3,560,000
The Board of Education of the County of Calhoun (West Virginia) Public School Bonds, Series 2011

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $3,560,000 in aggregate principal amount of The Board of Education of the County of Calhoun (West Virginia) Public School Bonds, Series 2011 (the "Series 2011 Bonds"). A brief description of The Board of Education of the County of Calhoun, West Virginia (the "Board"), the Calhoun County School District (the "School District") and the County of Calhoun, West Virginia (the "County" or "Calhoun County"), with which the School District is coterminous, is provided, together with a description of the Series 2011 Bonds and sources of payment therefor.

The Series 2011 Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

In addition to the Series 2011 Bonds, the Board also has outstanding its Public School Bonds, Series 1996, in the original amount of $3,370,000 and currently outstanding in the amount of $345,000 due May 1, 2012. There are currently enough funds on deposit at the West Virginia Municipal Bond Commission to pay all the outstanding principal and interest due on the Series 1996 Bonds. The Board passed a Resolution on June 21, 2011 authorizing the West Virginia Municipal Bond Commission to call the outstanding Series 1996 Bonds.

SERIES 2011 BONDS

General

The Series 2011 Bonds will be dated the date of delivery, will be issued as fully registered bonds in $5,000 denominations or integral multiples thereof, and are payable on June 1, in the years and amounts as follows:

Maturing (June 1)	Principal Amount ($)	Maturing (June 1)	Principal Amount ($)
2012	80,000	2022	175,000
2013	115,000	2023	185,000
2014	120,000	2024	195,000
2015	125,000	2025	205,000
2016	130,000	2026	215,000
2017	140,000	2027	225,000
2018	145,000	2028	240,000
2019	150,000	2029	250,000
2020	160,000	2030	260,000
2021	170,000	2031	275,000

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), both the principal of and interest on the Series 2011 Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent"). The Board has designated United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Series 2011 Bonds will be payable on December 1, 2011 and semi-annually thereafter (each June 1 and December 1) in each year until 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 Series 2011 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 Series 2011 Bonds maturing on or after June 1, 2022, are subject to redemption on or after June 1, 2021, 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 Series 2011 Bonds and the amounts thereof to be redeemed, provided that the Series 2011 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 Series 2011 Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Series 2011 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 Series 2011 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 Series 2011 Bonds having been deposited, the Series 2011 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 Series 2011 Bonds shall cease to bear interest.

Authority and Purpose

Authority

The issuance of the Series 2011 Bonds and the levy of taxes sufficient to pay the interest on the principal of such Series 2011 Bonds were authorized and approved at the countywide special election held on March 4, 2011, 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 20 and ½ years from the date of issuance of the Series 2011 Bonds and an interest rate not exceeding 6 1/2% per annum. The canvass of said special election showed 545 "Yes" votes and 263 "No" votes, a 67% 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.

Purpose

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

Nature of Obligation, Security and Source of Payments

The Series 2011 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 Series 2011 Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

Pursuant to Chapter 13, Article 3 of the Code of West Virginia, the West Virginia Municipal Bond Commission (the "Bond Commission") shall serve as fiscal agent for all issuers of general obligation bonds issued by counties, municipalities, and school districts of the State and is charged with the administration of the interest and sinking funds created to service the debt. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff, 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 2011 Budget Bill is indicative:

> [Section 14]: 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 Calhoun. The enforceability of rights or remedies with respect to the Series 2011 Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

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 elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. In 2012, the terms of two members will expire. The process will be repeated every two years thereafter.

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

During the fiscal year 2010-2011, the Calhoun County school system has an administrative staff of six with the overall responsibility to coordinate and supervise the activities of five school administrators, 77 instructional staff (teachers and other professionals), and 54 service personnel. Total Full Time Equivalent positions are 142. The estimated pupil-teacher ratio for the 2010-2011 school year is 12.5 to 1 (combined elementary, middle and secondary schools). The total student enrollment (head count) is 1,122 students PreK-12.

Historical School Enrollment (School Year – Enrollments are October of each year.)

Grades	2006-2007	2007-2008	2008-2009	2009-2010	2010-1011
PK-EC	68	83	61	65	76
K	103	92	87	65	98
1	79	84	84	82	65
2	83	80	85	83	81
3	68	81	78	84	85
4	81	86	81	76	86
5	91	82	67	80	79
6	87	89	90	74	80
7	76	84	90	91	80
8	78	73	84	90	86
9	97	80	76	77	90
10	87	97	77	72	78
11	84	81	93	74	71
12	71	79	73	91	67
Total	**1,153**	**1,151**	**1,126**	**1,104**	**1,122**

Rate of Increase (Decrease) in Enrollment	
2006-2010	-2.7%
Average Annual	-0.7%

Source: Calhoun County Board of Education

Projected Enrollment*

Year (October)	Enrollment (School Year)
2011	1,015
2012	1,012
2013	1,015
2014	1,018
2015	1,000

Facilities*

School	Grades	Construction Type	Construction Date	Renovations or Additions
Arnoldsburg Elementary	Pre-K to 4	M&S	1951	1979, 1991, 1998
Pleasant Hill Elementary	Pre-K to 4	M&S	1978	1983, 2010
Calhoun Middle High School	5 to 12	M&S	1998	

*Source: Calhoun County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Calhoun 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 ½% discount if paid by September; 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 ½% 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 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 ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual Collected ($)	Actual Collected (%)
2005-2006				
General Current	1,196,567.00	1,097,294.00	1,243,006.38	102.93
Bond Levy	328,940.00	328,425.00	350,645.62	106.60
Excess Levy	40,898.00	38,270.00	41,480.22	101.42
2006-2007				
General Current	1,218,576.00	1,117,476.00	1,215,120.24	99.72
Bond Levy	332,450.00	332,450.00	338,370.96	101.78
Excess Levy	0.00	0.00	2,261.59	
2007-2008				
General Current	1,309,843.00	1,201,172.00	1,307,942.74	99.85
Bond Levy	340,289.00	340,289.00	342,834.93	100.75
Excess Levy	35,784.00	33,485.00	34,370.67	96.05
2008-2009				
General Current	1,402,723.00	1,286,346.00	1,395,404.80	99.48
Bond Levy	342,727.00	342,500.00	347,229.76	101.31
Excess Levy	38,322.00	35,860.00	38,628.00	100.80
2009-2010				
General Current	1,476,812.00	1,354,287.00	1,459,794.30	98.85
Bond Levy	348,649.00	348,500.00	351,800.50	100.90
Excess Levy	40,347.00	37,755.00	40,610.17	100.65

*Source: Calhoun 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 government 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 2010 assessment year valuations are made as of July 1, 2009, with taxes levied and collected during the fiscal year July 1, 2010, through June 30, 2011.

The State Tax Commissioner has the responsibility for preparing tentative valuations for 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 Calhoun County School District includes all of Calhoun County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code (the "Property Valuation Act") 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 Property Valuation Act 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 Property Valuation Act 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	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	2,247,503	0	0	0	0
II	64,231,604	66,481,874	70,185,971	71,478,417	73,944,396
III	126,712,084	138,296,078	145,904,990	154,776,714	137,494,784
IV	9,404,394	9,226,418	9,312,806	9,461,113	10,109,895
Total	202,595,585	214,004,370	225,403,767	235,716,244	221,549,075

Assessed Valuation by Property Category*

Category	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Real	103,761,250	106,914,260	112,458,000	116,934,690	116,291,290
Personal	76,521,204	83,649,053	88,164,721	94,369,809	77,613,989
Public Utility	22,313,131	23,441,057	24,781,046	24,411,745	27,643,796
Total	202,595,585	214,004,370	225,403,767	235,716,244	221,549,075

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

17,944,174	in 2007-2008	18,675,903	in 2009-2010	19,125,495	in 2011-2012
18,653,790	in 2008-2009	18,873,298	in 2010-2011		

Source: State Tax Department

Largest Assessed Valuations*

Property Owner	Assessed Valuation ($) (Tax Year 2011)
MONONGAHELA POWER COMPANY - ELECTRIC	9,128,760
DOMINION TRANSMISSION INC.	8,116,335
CITIZENS TELECOM CO OF WV	3,473,013
WEST VIRGINIA OIL GATHERING CORP	2,317,479
COLUMBIA GAS TRANSMISSION CORP	1,990,211
CRANBERRY PIPELINE CORPORATION	1,390,899

*Public Utilities Allocation of Assessed Values for Class III or IV.
Non-Taxable Property was not included in this chart.
Source: West Virginia State Auditor's Office

Tax Rate Comparisons*

The following shows Calhoun 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 2011; Fiscal Year 2011-2012.

County	Class I	Class II	Class III/IV
Calhoun	42.35	84.70	169.40
Braxton	42.38	84.76	169.52
Clay	54.75	109.50	219.00
Gilmer	45.63	91.26	182.52
Ritchie	55.72	111.44	222.88
Roane	40.67	81.34	162.68
Wirt	61.76	123.52	247.04

*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.

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.

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 five years without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia of 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $0.2295 per $100 assessed valuation in respect to Class I, $0.4590 per $100 in respect to Class II, and $0.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

School Current Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	.53	.53	.53	.53	.53
II	1.06	1.06	1.06	1.06	1.06
III and IV	2.12	2.12	2.12	2.12	2.12

School Bond Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	5.04	4.74	4.58	4.48	4.40
II	10.08	9.48	9.16	8.96	8.80
III and IV	20.16	18.96	18.32	17.92	17.60

Rates of Levy

The tax rates for citizens of the County, including those imposed by the Board, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2011-2012 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	.25	.50	1.00
County Current	14.30	28.60	57.20
County Excess	3.47	6.94	13.88
School Current	19.40	38.80	77.60
School Bond	4.40	8.80	17.60
School Excess	.53	1.06	2.12

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional current rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2011-2012 fiscal year.

Municipality	Class I	Class II	Class IV
Grantsville - Current	12.50	25.00	50.00
Excess	6.25	12.50	25.00

Source: West Virginia State Auditor

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2010)	7,627
Assessed Valuation*	221,549,075
Debt Limit (5% of Assessed Valuation)	11,077,453
Outstanding Debt (Including the Series 2011 Bonds)	3,560,000**
Debt Contracting Margin	7,517,453
Per Capita Debt	$466.76
Outstanding Debt as percentage of Assessed Valuation	1.61%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2011, Fiscal Year 2012).

** This excludes the Series1996 Bonds which funds are on deposit to pay outstanding principal.

(Remainder of this page left intentionally blank.)

Debt Service Requirements

Upon issuance of the Series 2011 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

Maturing (June 1)	Principal Amount ($)	Interest ($)	Total ($)
2012	80,000		
2013	115,000		
2014	120,000		
2015	125,000		
2016	130,000		
2017	140,000		
2018	145,000		
2019	150,000		
2020	160,000		
2021	170,000		
2022	175,000		
2023	185,000		
2024	195,000		
2025	205,000		
2026	215,000		
2027	225,000		
2028	240,000		
2029	250,000		
2030	260,000		
2031	275,000		
Totals	$3,560,000		

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 Revenue Fund: Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Series 2011 Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in The Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of

Activities) are prepared using the economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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 (Regulatory Basis)

General Current Expense Fund
Fiscal Year ended June 30

	2009 Budget	2009 Actual	2010 Budget	2010 Actual	2011 Budget	2012 Budget
Revenues:						
Local Sources:						
Property Taxes	1,201,170	1,434,033	1,487,039	1,500,404	1,328,200	1,350,096
Other Local Sources	79,150	50,938	89,019	70,831	31,000	9,000
State Sources						
Other Unrestricted	5,963,822	6,123,705	5,687,313	5,641,475	6,327,170	6,308,084
Federal Sources	75,000	131,720	85,135	105,899	85,000	85,000
Total Revenues Collected	7,319,142	7,740,396	7,348,506	7,318,609	7,771,370	7,752,180
Expenditures:						
Instruction	4,224,764	4,181,662	3,770,802	4,954,110	4,034,750	4,183,815
Supporting Services:						
Students	172,664	186,327	203,678	203,678	242,710	254,168
Instructional Staff	100	110,384	102,165	101,679	95,370	130,248
Central Administration	198,876	241,163	250,554	249,422	267,010	353,874
School Administration	516,642	578,173	595,057	594,037	592,940	616,401
Business	146,660	151,464	152,408	151,206	149,680	152,133
Operation & Maintenance of Facilities	956,935	1,101,430	1,059,180	1,046,871	935,010	850,390
Student Transportation	1,213,570	1,074,848	1,183,952	1,122,534	1,093,070	1,164,142
Food Services	-1,536					
Community Services		50,015	194,177	225,359	38,640	
Capital Outlay	69,051	6,000	58,393	25,081		
Reserves						
Debt Service:						
Principal Retirement						
Interest & Fiscal Charges						
Total Expenditures						
Excess (Deficiency) of Revenues over Expenditures	-178,584	58,930	-221,860	-1,355,368	322,190	47,009
Total Other Financing Sources (Uses)	-114,920	-149,401		13,123	322,190	47,009
Net change in Fund Balance	-293,504	-90,471	-221,860	-1,342,245	0.00	0.00
Fund Balance at July 1	105,238	431,408	-188,266	340,937	-410,126	-87,936
Fund Balance at June 30	-188,266	340,937	-410,126	-1,001,308	-87,936	-40,927

Source: Calhoun County Board of Education
*This includes $1,173,278.59 OPEB Liabilities for Fiscal Year 2010 (2009-2010 Actual)

Insurance Coverage*

1. Type	Amount in Force (FY 2010-11)
Fire, extended coverage/buildings & personal property	$38,035,633
Public official position bond:	
Superintendent	$ 10,000
Board President	$ 10,000
Treasurer	$ 250,000
Blanket Bond	$ 10,000
Fidelity Honesty Bond (all employees)	$ 3,000,000
Money & Securities (all employees)	$ 2,500,000
Deductible - $2,500 per occurrence	

Liability Insurance:

The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2010 to July 1, 2011. The Board is insured for the following coverages:

- Comprehensive general liability insurance
- Personal injury liability insurance
- Professional liability insurance
- Stop gap liability insurance
- Wrongful act liability insurance
- Comprehensive auto liability insurance
- Auto physical damage insurance, including comprehensive and collision
- Garagekeepers insurance.

2. Limits of Liability

EACH OCCURRENCE:

$1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS:

The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.00 for private passenger vehicles or $1,000 for other vehicle types including mobile equipment.

DEFENSE COSTS:

Defense costs are in addition to each occurrence limit of liability.

*Source: Calhoun County Board of Education

Teachers Retirement Systems*

Teachers Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2010, there are 35,670 active members and 30,127 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2010 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, 2010, the unfunded liability of TRS was $4.76077 billion. The funded percentage was 46.5%. 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, 2010, there were approximately 4,778 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 vote to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

*Source: West Virginia Consolidated Public Retirement Board

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2011 Bonds is excludable from gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), 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 Series 2011 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2011 Bonds. The Board has covenanted to comply with certain restrictions designed to ensure that interest on the Series 2011 Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2011 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2011 Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2011 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2011 Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Series 2011 Bonds. Prospective purchasers of the Series 2011 Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

The Board has designated the Series 2011 Bonds as "qualified tax-exempt obligations" and has covenanted that the Board, together with all subordinated entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligations of the Board to the extent the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2011. Therefore, the Series 2011 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Although Bond Counsel is of the opinion that interest on the Series 2011 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2011 Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2011 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2011 Bonds. Prospective purchasers of the Series 2011 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority and represents Bond Counsel's judgment as to the proper treatment of the Series 2011 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2011 Bonds ends with the issuance of the Series 2011 Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the Board or the beneficial owners regarding the tax-exempt status of the Series 2011 Bonds in the event of an audit examination by the IRS.

Under current procedures, parties other than the Board and its counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2011 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2011 Bonds, and may cause the Board or the beneficial owners to incur significant expense.

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 Series 2011 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 Series 2011 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.

On February 22, 2010, forth-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability for other post-employment benefits payable related to state aid eligible employees and to pay any future amounts billed by PEIA for state aid eligible employees. The Board does not expect the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Series 2011 Bonds.

At the time of payment for and delivery of the Series 2011 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 Series 2011 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 Series 2011 Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Series 2011 Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as Exhibit G, to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ending June 30, 2011, and to provide notice of the occurrence of the enumerated events listed herein, if material. The Annual Information and each notice of material events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the Board with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Board has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2011 Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Prior to the issuance of the Series 2011 Bonds, the Board issued the Series 1996 Bonds in the amount of $3,370,000. At that time, the Board did not employ a dissemination agent. Although the Board previously provided certain financial information for the Series 1996 Bonds, it did not do so consistently and timely. It also did not remit such information to the correct entity. Accordingly, the Board will employ the services of United Bank, Inc., Charleston, West Virginia, to provide dissemination services in conjunction with its continuing disclosure obligations for the Series 2011 Bonds.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2011 Bonds are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Series 2011 Bonds. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board.

SALE AT COMPETITIVE BIDDING

The Series 2011 Bonds will be offered by the Board at competitive bidding on July 7, 2011 in accordance with the Official Notice of Sale.

RATING

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Series 2011 Bonds its rating of '__'. 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 Series 2011 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 Series 2011 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 Series 2011 Bonds.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $3,560,000 in aggregate principal amount of The Board of Education of the County of Calhoun Public School Bonds, Series 2011. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Calhoun by Raymond James & Associates, Inc. in its capacity as Financial Advisor.

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 Series 2011 Bonds.

THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

By: _____, President

This page left intentionally blank.

APPENDIX A

CALHOUN COUNTY, WEST VIRGINIA, BOARD OF EDUCATION

Financial Statements

June 30, 2010

This page left intentionally blank.

CALHOUN COUNTY BOARD OF EDUCATION
Table of Contents
For the Fiscal Year Ended June 30, 2010

	Page
School Board Officials	1
Independent Auditors' Report	2
Basic Financial Statements:	
Statement of Net Assets	4
Statement of Activities	5
Balance Sheet – Governmental Funds	6
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities	9
Statement of Fiduciary Net Assets – Fiduciary Funds	10
Notes to the Basic Financial Statements	11
Required Supplemental Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – General Current Expense Fund	29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Special Revenue Fund	30
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Special Revenue (ARRA) Fund	31
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Debt Service Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Capital Projects Fund	33
Other Supplemental Information:	
Schedule of Changes in School Activity Funds	34

CALHOUN COUNTY BOARD OF EDUCATION
Table of Contents
For the Fiscal Year Ended June 30, 2010

Schedule of Expenditures of Federal Awards	35
Notes to the Schedule of Expenditures of Federal Awards	36
Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	37
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	39
Schedule of Findings and Questioned Costs	41
Schedule of Prior Audit Findings and Questioned Costs	43

CALHOUN COUNTY BOARD OF EDUCATION
School Board Officials
For the Fiscal Year Ended June 30, 2010

Office	Name	Term
	Elective	
School Board Members:	Cynthia Dale	07/01/2008 – 06/30/2012
	Lee Evans	07/01/2006 – 06/30/2010
	Joy Starcher	07/01/2008 – 06/30/2012
	Steve Whited	07/01/2006 – 06/30/2010
	Linda Harris	07/01/2008 – 06/30/2012
	Appointive	
School Board President	Cynthia Dale	07/01/2009 – 06/30/2010
Superintendent	Roger Propst	07/01/2009 – 06/30/2010
Treasurer	Patricia Riddle	07/01/2009 – 06/30/2010

The Fyffe Jones Group

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

INDEPENDENT AUDITORS' REPORT

Honorable Members of the
Calhoun County, West Virginia, Board of Education
Mt. Zion, West Virginia

We have audited the accompanying financial statements of the governmental activities and each major fund of the Calhoun County, West Virginia, Board of Education, as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Calhoun County, West Virginia, Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Calhoun County, West Virginia, Board of Education as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2011, on our consideration of the Calhoun County, West Virginia, Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

E-MAIL info@fja-cpas.com FAX lines: Ashland: 606-324-2823; Huntington: 304-525-4230; Portsmouth: 740-353-6724

The Board has not presented the management's discussion and analysis that the Government Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calhoun County, West Virginia, Board of Education's basic financial statements. The Schedule of Changes in School Activity Funds is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements of the Calhoun County, West Virginia, Board of Education. The schedule of changes in school activity funds and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

THE FYFFE JONES GROUP
CERTIFIED PUBLIC ACCOUNTANTS

February 23, 2011

CALHOUN COUNTY BOARD OF EDUCATION

Statement of Net Assets

June 30, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 283,142
Investments	395,327
Taxes receivable, net of allowance for uncollectible taxes	13,549
Food services receivable	11,013
Other receivables	87,486
Due from other governments:	
Reimbursements receivable	1,519,710
Due from other funds	820,986
Capital Assets:	
Land	599,725
Buildings and improvements	19,293,525
Furniture and equipment	1,633,080
Vehicles	1,705,976
Construction in process	2,052,822
Less accumulated depreciation	(7,429,765)
Total capital assets, net of depreciation	17,855,362
Total Assets	20,986,574
LIABILITIES AND NET ASSETS	
Liabilities:	
Salaries payable and related payroll liabilities	701,812
PEIA premiums payable	23,226
Compensated absences	72,853
Accounts payable	31,017
Due to other funds	820,986
Due to other fiscal agents	193,428
Other post employment benefit payable - state aid funded employees	1,173,279
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	325,000
Accrued interest	8,083
Due beyond one year:	
Bonds, capital leases, and contracts	345,000
Total Liabilities	3,694,684
Net Assets:	
Invested in capital assets, net of related debt	17,185,362
Restricted for:	
Debt service	387,244
Special projects	124,753
Unrestricted	(405,469)
Total Net Assets	$ 17,291,890

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue and Changes in Net Assets Governmental Activities
Governmental activities:					
Instruction	$ 7,344,278	$ 72,775	$ 2,447,687	$ 1,906,779	$ (2,917,037)
Supporting services:					
Students	295,202	-	1,137	-	(294,065)
Instructional staff	363,781	-	249,814	-	(113,967)
District administration	383,788	-	26,378	-	(357,410)
School administration	541,161	-	-	-	(541,161)
Business services	159,983	-	-	-	(159,983)
Operation and maintenance of facilities	1,185,058	-	-	-	(1,185,058)
Student transportation	1,334,860	-	114,182	-	(1,220,678)
Food services	647,738	-	645,619	-	(2,119)
Community services	230,057	-	-	-	(230,057)
Interest on long-term debt	49,406	-	-	-	(49,406)
Total governmental activities	$ 12,535,312	$ 72,775	$ 3,484,817	$ 1,906,779	(7,070,941)

General revenues:	
Property taxes	1,500,404
Unrestricted state aid	5,505,798
Unrestricted investment earnings	891
Unrestricted grants and contributions	1,005,319
Transfers in	13,123
Transfers (out)	(13,123)
Total general revenues and transfers	8,012,412
Change in net assets	941,471
Net assets - beginning	16,350,419
Net assets - ending	$ 17,291,890

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION

Balance Sheet - Governmental Funds

June 30, 2010

	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 283,142	$ -	$ -	$ -	$ -	$ 283,142
Investments	-	-	-	395,327	-	395,327
Taxes receivable, net	13,549	-	-	-	-	13,549
Food service receivable, net	-	11,013	-	-	-	11,013
Other receivables	87,486	-	-	-	-	87,486
Due from other governments:						
Reimbursements receivable	-	784,528	117,064	-	618,119	1,519,710
Due from other funds	711,400	109,586	-	-	-	820,986
Total Assets	$ 1,095,576	$ 905,126	$ 117,064	$ 395,327	$ 618,119	$ 3,131,212
LIABILITIES AND FUND BALANCES						
Liabilities:						
Salaries payable and related payroll liabilities	571,365	106,663	23,783	-	-	701,812
Other post employment benefits payable	1,173,279	-	-	-	-	1,173,279
PEIA premiums payable	18,208	5,018	-	-	-	23,226
Accounts payable	31,017	-	-	-	-	31,017
Deferred revenue	-	668,692	-	-	-	668,692
Due to other funds	109,586	-	93,281	-	618,119	820,986
Due to other fiscal agents	193,428	-	-	-	-	193,428
Total Liabilities	2,096,884	780,374	117,064	-	618,119	3,612,440
Fund Balances:						
Reserved for:						
Encumbrances	20,686	165,441	8,538	-	80,527	275,192
Debt service	-	-	-	395,327	-	395,327
Unreserved:						
Designated	99,858	(40,688)	(8,538)	-	(80,527)	(29,895)
Undesignated	(1,121,852)	-	-	-	80,527	(1,041,326)
Total Fund Balances	(1,001,308)	124,753	-	395,327	-	(481,228)
TOTAL LIABILITIES AND FUND BALANCES	$ 1,095,576	$ 905,126	$ 117,064	$ 395,327	$ 618,119	$ 3,131,212

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets

June 30, 2010

Total fund balances on the governmental fund's balance sheet	$	(481,228)
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 (See Note 7)		17,855,362
Deferred revenue are not reported in the funds		668,692
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds (See Note 8)		
Bonds payable, due within one year		(325,000)
Bonds payable, due beyond one year		(345,000)
Accrued interest on bonds		(8,083)
Compensated absences		(72,853)
Net assets of governmental activities	$	17,291,890

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:						
Property taxes	$ 1,500,404	$ -	$ -	$ -	$ -	$ 1,500,404
Other Local sources	70,831	238,252	-	352,059	-	661,142
State sources	5,641,475	885,657	-	-	1,713,458	8,240,589
Federal sources	105,899	1,451,388	666,382	-	-	2,223,669
Miscellaneous sources	-	182,286	-	-	-	182,286
Total Revenues	7,318,609	2,757,583	666,382	352,059	1,713,458	12,808,091
Expenditures:						
Instruction	4,954,110	1,306,110	605,682	-	-	6,865,902
Supporting services:						
Students	203,678	88,955	2,569	-	-	295,202
Instructional staff	101,679	249,076	4,262	-	-	355,017
Central administration	249,422	127,649	-	-	-	377,071
School administration	594,037	1,200	-	-	-	595,237
Business	151,206	14,803	-	-	-	166,009
Operation and maintenance of facilities	1,046,871	96,533	29,490	-	-	1,172,894
Student transportation	1,122,534	119,543	7,000	-	-	1,249,077
Food services	-	628,263	16,050	-	-	644,313
Community services	225,359	4,698	-	-	-	230,057
Capital outlay	25,081	-	-	-	1,397,500	1,422,581
Debt service:						
Principal retirement	-	-	-	300,000	-	300,000
Interest and fiscal charges	-	-	-	49,406	-	49,406
Total Expenditures	8,673,977	2,636,830	665,054	349,406	1,397,500	13,722,766
Excess (deficiency) of revenues over expenditures	(1,355,368)	120,754	1,328	2,653	315,958	(914,675)
Other financing sources (uses):						
Transfers in	13,123	-	-	-	-	13,123
Transfers (out)	-	(11,795)	(1,328)	-	-	(13,123)
Total other financing sources (uses)	13,123	(11,795)	(1,328)	-	-	-
Net change in fund balances	(1,342,245)	108,959	-	2,653	315,958	(914,675)
Fund balances - beginning	340,937	15,794	-	392,674	(315,958)	433,447
Fund balances - ending	$ (1,001,308)	$ 124,753	$ -	$ 395,327	$ -	$ (481,228)

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
June 30, 2010

Amounts reported for governmental activities in the statement of activities are different due to:	
Net change in fund balances - total governmental funds	$ (914,675)
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	(583,278)
Capital outlays	1,422,581
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.	668,692
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.	300,000
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 decreased.	48,152
Change in net assets of governmental activities	$ 941,471

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Net Assets - Fiduciary Funds
June 30, 2010

	Agency Funds School Activity Funds
ASSETS	
Cash and cash equivalents	$ 242,272
Total Assets	$ 242,272
LIABILITIES	
Due to other funds	$ 242,272
Total Liabilities	$ 242,272

See Notes to the Basic Financial Statements.

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 Calhoun 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.

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.

Note 1 - Summary of Significant Accounting Policies: (Cont.)

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 purposes.

Special Revenue Fund – American Reinvestment and Recovery Act (ARRA): A separate special revenue fund to account for all revenues and expenditures attributable to ARRA funds that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects, and; one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: School activity funds to account for the assets of the individual schools of the 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.

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,

Note 1 - Summary of Significant Accounting Policies: (Cont.)

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.

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, 2010 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.

The Board had no fixed-term investments at June 30, 2010.

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the board's

Note 1 - Summary of Significant Accounting Policies: (Cont.)

name. Custodian credit risk is the risk that in event of a bank failure, the Board's deposits may not be returned to it. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short term investments that are less affected by changes in market rates as compared to long term investments.

At June 30, 2010, the Board has $395,327 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2010, the Pool did not have investments in any one private corporation or association that represented more than 5% of assets.

F. 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.

G. Inventories

Inventories are valued at cost or, if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Note 1 - Summary of Significant Accounting Policies: (Cont.)

The Board no food service inventory at June 30, 2010.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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:

Assets	Years
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 ten (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.

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

Note 1 - Summary of Significant Accounting Policies: (Cont.)

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, 2010.

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.

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 but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State 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.

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, 2010:

Fund	Amount
General Current Expense Fund	$ (1,001,308)

There are no additional funding sources for the excess in the General Current Expense Fund due to the OPEB liability being recording.

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2010, expenditures exceeded appropriations in the fund listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

General Current Expense Fund:

Function	Amount
Instruction	$ (1,183,308)
Community Services	(31,182)

Note 2 - Stewardship, Compliance and Accountability: (Cont.)

The overexpenditures in these programs is due to the recording of the OPEB expenditures which were unbudgeted due to unresolved court proceedings to determine ownership of the liability.

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 16 – For the fiscal year ended June 30, 2008, the Board included in compensated absences an estimate amount for the accrued personal leave using the guidance provided in GASB Statement 16. However, subsequent to the end of the year, the State Auditor has determined that accrued personal leave should not be considered a termination benefit, therefore the liability associated with accrued personal leave is not included as compensated absences for the fiscal year ended June 30, 2010. The liability associated with accrued personal leave is now included as a part of other post employment benefits under the reporting requirements of GASB 45.

GASB 45 – the Board implemented GASB Statement 45 reporting requirements *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2010. In addition to pensions, many state and local governmental employers provide *other postemployment benefits* (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes postemployment healthcare, as well as other forms of standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

As a cost-sharing employer, the Board is required to recognize OPEB expenditures for the *contractually required contributions* to the plan on the modified accrual basis. Therefore, the unpaid OPEB at June 30 will be reported on the Balance Sheet as "Other postemployment benefit payable".

In the prior years, an estimate of the accrued sick leave liability was recorded using guidance from GASB 16. An adjustment was made to beginning net assets in 2008 to remove that balance from the entity-wide Statement of Net Assets.

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

Note 4 - Risk Management: (Cont.)

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, 2010. 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.

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.

Note 5 - Property Taxes: (Cont.)

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, 2010, were:

Class of Property		Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$	-	19.40¢	.53¢	4.58¢
Class II	$	70,185,971	38.80¢	1.06¢	9.16¢
Class III	$	145,904,990	77.60¢	2.12¢	18.32¢
Class IV	$	9,312,806	77.60¢	2.12¢	18.32¢

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 had an excess levy in effect during the fiscal year ended June 30, 2010. The levy was authorized by the voters of the county at an election held on November 6, 2006, for the fiscal years ended June 30, 2007, through June 30, 2011, to provide funds for the additional facilities at Calhoun Middle/High School.

A total of $ 352,059 was received by the Board from the excess levy during the fiscal year ended June 30, 2010.

Note 7 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2010, is as follows:

	Balance, Beginning of Year	Additions	Retirements	Balance, End of Year
Governmental activities:				
Land	$ 599,725	$ -	$ -	$ 599,725
Buildings	19,293,525		-	19,293,525
Furniture and equipment	1,617,030	16,050	-	1,633,080
Vehicles	1,622,789	83,187	-	1,705,976
Construction in process	30,241	1,422,581	-	1,452,822
Total	$ 23,163,310	$ 1,521,818	$ -	$ 24,685,128
Less accumulated depreciation				
Buildings	$(5,076,015)	$ (398,454)	$ -	$ (5,474,469)
Furniture and equipment	(877,067)	(91,974)	-	(969,041)
Vehicles	(893,405)	(92,850)	-	(986,255)
Total	$(6,846,487)	(583,278)	-	(7,429,765)
Capital Assets, net	$16,316,823	$ 938,540	$ -	$ 17,255,363

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

Instruction	$ 478,376
Supporting Services:	
Central administration	11,477
Operation and maintenance of facilities	4,218
Transportation	85,782
Food services	3,425
Total Depreciation expense - governmental activities	$ 583,278

Note 7 - Capital Assets: (Cont.)

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

Instruction	$ 478,376
Supporting Services:	
Central administration	11,477
Operation and maintenance of facilities	4,218
Transportation	85,782
Food services	3,425
Total Depreciation expense – governmental activities	$ 583,278

The amount at which fixed assets are recorded has decreased from the prior year, primarily as the result of a change in accounting policy. Fixed assets at June 30, 2010, are recorded at historical cost or estimated historical cost where actual historical cost information was not available. In prior years, fixed assets were recorded at appraised value for insurance purposes or other reasonable approximation of current value.

Note 8 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2010, is as follows:

General Obligation Bonds – General obligation bonds payable at June 30, 2010, with their outstanding balance are comprised of the following individual issues:

Long-term Debt	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
General obligation debt	$ 970,000	$ -	$ 300,000	$ 670,000	$ 325,000	$ 345,000
Compensated absences	121,005	-	48,152	72,853	72,853	-
Long-term liabilities	$ 1,091,005	$ -	$ 348,152	$ 742,853	$ 397,853	$ 345,000

Bond Issue of 1996:

On September 6, 1996, the Board issued $3,370,000 in general obligation bonds to provide funds for the purpose of upgrading the heating and air conditioning system at one elementary school; adding additional classrooms at another elementary school; and construction of an athletic stadium, upgrading the heating and air conditioning system, adding an auxiliary gymnasium, purchasing technology equipment, and expanding the auditorium at the new Calhoun Middle/High School. The bonds mature in varying annual increments through May 1, 2012, and interest is payable semiannually at rates that vary from 4.625% to 6.625%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

Note 8 - Long-term Debt: (Cont.)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010, including interest payments are listed as follows:

Year	Principal	Interest	Total
2011	$ 325,000	$ 33,500	$ 358,500
2012	345,000	17,250	362,250
Total	$ 670,000	$ 50,750	720,750

Total bonded indebtedness at July 1, 2009	$ 970,000
Issuances	-
Maturities	300,000
Total bonded indebtedness at June 30, 2010	$ 670,000

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 non-cancelable 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, 2010, were $ 12,279.

The following is a summary of the future minimum required payments by year under operating leases as of June 30, 2010:

Total minimum lease payment at June 30, 2010, was $ 13,116.

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, 2010, the Board's total payroll for all employees was $ 6,116,685 and the payroll was $ 5,662,404 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

Note 10 - Employee Retirement System: (Cont.)

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. 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 2009 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $ 5.1 billion as of July 1, 2009.

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

Note 10 - Employee Retirement System: (Cont.)

a total of 13.5% annually.

The employers' contributions are derived from the 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, 2008 and the two previous years were:

Year ended June 30	2008	2009	2010
Required contributions	$ 345,412,000	$ 404,547,000	$487,886,000
As a % of current year covered payroll	23.30 %	25.89 %	29.57%

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2010 were:

Employees' contributions (6%)	$ 319,169
Employer's contributions (15% or 7.5%)	541,923
Total contributions	$ 861,092

Teachers' Defined Contribution Retirement System:

Plan Description: All Board employees hired after July 1, 1991 but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the 2008-09 fiscal year. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: 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.

Note 10 - Employee Retirement System: (Cont.)

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, 2009, this plan had approximately $222 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 FY10 were:

Employees' contributions (4.5%)	$ 15,432
Employer's contributions (7.5%)	25,721
Total contributions	$ 41,153

Note 11 - Pending Litigation:

The Board is involved in a number of legal proceedings and claims, involving students, employees and citizens who have sued the Board for damages. While it is not possible to determine the ultimate outcome of any lawsuit with certainty, management believes that the ultimate outcome will not have a material adverse effect on the financial position of the Board. The Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

Note 12 - Interfund Balances and Transfers:

Interfund Transfers

The General Current Expense Fund transferred $50,000 to the Capital Projects Fund to fund future major capital improvements and heating/cooling replacements and $28,132 from the Special Revenue Fund and $4,038 From ARRA Special Revenue Fund to the General Current Expense Fund for indirect cost charges. Capital Projects Fund transferred $35,957 to ARRA Special Revenue Fund for the local match to the ARRA SBA funded roof replacement project at the high school.

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, 2010, to be expended for the following purposes:

Purpose		Amount
New Board Office	$	13,744
Medicaid Reserved for Contingent Audit Refund		105,238
Dual Credit Courses		(19,124)
Total Unreserved Fund Balance – Designated	$	99,858

Note 14 – Post Employment Benefits Other Than Pension:

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2010 was determined to be:

Total Annual Required Contribution	$ 791,943,000	$ 10,811
Pay as you go – Retiree Subsidy	(122,799,496)	(1,676)
Remaining ARC	$ 669,143,504	$ 9,135

Note 15 - Commitments, Contingencies and Subsequent Events:

During the fiscal year ended June 30, 2010, the Board began pursuing legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing other postemployment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the a portion of the liability, "other postemployment benefits payable", for any state aid eligible employee on the accompanying financial statement and to pay any future amounts billed by PEIA for state aid eligible employees.

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.

Note 17 – Subsequent Events:

Management has evaluated all subsequent events as of February 23, 2011, and deems all disclosures herein proper.

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Current Expense Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Property taxes	$ 1,392,050	$ 1,487,039	$ 1,500,404	$ 13,365
Other Local sources	44,740	67,019	70,831	3,812
State sources	5,903,540	5,687,313	5,641,475	(45,839)
Federal sources	85,000	85,135	105,899	20,764
Miscellaneous sources	22,000	22,000	-	(22,000)
Total Revenues	7,447,330	7,348,506	7,318,609	(29,897)
Expenditures:				
Instruction	4,060,840	3,770,802	4,954,110	(1,183,308)
Supporting services:				
Students	186,380	203,678	203,678	-
Instructional staff	53,200	102,165	101,679	486
Central administration	254,140	250,554	249,422	1,132
School administration	576,210	595,057	594,037	1,020
Business	146,020	152,408	151,206	1,202
Operation and maintenance of facilities	926,910	1,059,180	1,046,871	12,309
Student transportation	1,091,720	1,183,952	1,122,534	61,418
Community services	304,160	194,177	225,359	(31,182)
Capital outlay	-	58,393	25,081	33,312
Total Expenditures	7,599,580	7,570,366	8,673,977	(1,103,611)
Excess (deficiency) of revenues over expenditures	(152,250)	(221,860)	(1,355,368)	(1,133,508)
Other financing sources (uses):				
Transfers in	-	-	13,123	13,123
Total other financing sources (uses)	-	-	13,123	13,123
Change in fund balances	(152,250)	(221,860)	(1,342,245)	(1,120,385)
Fund balances - beginning	-	-	340,937	340,937
Fund balances - ending	$ (152,250)	$ (221,860)	$ (1,001,308)	$ (779,448)

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Local sources	$ 76,510	$ 482,836	$ 238,252	$ (244,584)
State sources	471,341	1,078,724	885,657	(193,067)
Federal sources	1,375,200	2,116,623	1,451,388	(665,235)
Miscellaneous sources	196,570	196,570	182,286	(14,284)
Total Revenues	2,119,621	3,874,753	2,757,583	(1,117,170)
Expenditures:				
Instruction	435,210	1,765,009	1,306,110	458,899
Supporting services:				
Students	-	162,127	88,955	73,172
Instructional staff	77,530	398,578	249,076	149,502
Central administration	170,610	137,677	127,649	10,028
School administration	-	1,200	1,200	-
Business	-	3,715	14,803	(11,088)
Operation and maintenance of facilities	-	301,675	96,533	205,142
Student transportation	111,940	186,589	119,543	67,046
Food services	648,170	762,851	628,263	134,588
Community services	-	4,736	4,698	38
Reserved	472,260	61,366	-	61,366
Capital outlay	-	-	-	-
Total Expenditures	1,915,720	3,785,523	2,636,830	1,148,693
Excess (deficiency) of revenues over expenditures	203,901	89,230	120,754	31,524
Other financing sources (uses):				
Transfers (out)	-	-	(11,795)	(11,795)
Total other financing sources (uses)	-	-	(11,795)	(11,795)
Change in fund balances	203,901	89,230	108,959	19,729
Fund balances - beginning	-	-	15,794	15,794
Fund balances - ending	$ 203,901	$ 89,230	$ 124,753	$ 35,523

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue (ARRA) Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Federal sources	$ -	$ 1,042,995	$ 666,382	$ (376,613)
Total Revenues	-	1,042,995	666,382	(376,613)
Expenditures:				
Instruction	-	832,984	605,682	227,302
Supporting services:				
Students	-	3,153	2,569	584
Instructional staff	-	9,533	4,262	5,271
Operation and maintenance of facilities	-	33,691	29,490	4,201
Student transportation	-	7,000	7,000	-
Food services	-	16,050	16,050	-
Reserved	-	140,584	-	140,584
Total Expenditures	-	1,042,995	665,054	377,941
Excess (deficiency) of revenues over expenditures	-	-	1,328	1,328
Other financing sources (uses):				
Transfers (out)	-	-	(1,328)	(1,328)
Total other financing sources (uses)	-	-	(1,328)	(1,328)
Change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Other local sources	$ 348,500	$ 348,500	$ 352,059	$ 3,559
Total Revenues	348,500	348,500	352,059	3,559
Expenditures:				
Debt service:				
Principal retirement	300,000	300,000	300,000	-
Interest and fiscal charges	48,500	48,500	49,406	(906)
Total Expenditures	348,500	348,500	349,406	(906)
Excess (deficiency) of revenues over expenditures	-	-	2,653	2,653
Other financing sources (uses):				
Change in fund balances	-	-	2,653	2,653
Fund balances - beginning	-	-	392,674	392,674
Fund balances - ending	$ -	$ -	$ 395,327	$ 395,327

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
State sources	$ -	$ 3,066,531	$ 1,713,458	$ (1,353,073)
Total Revenues	-	3,066,531	1,713,458	(1,353,073)
Expenditures:				
Capital outlay	-	2,750,573	1,397,500	1,353,073
Total Expenditures	-	2,750,573	1,397,500	1,353,073
Excess (deficiency) of revenues over expenditures	-	315,958	315,958	-
Other financing sources (uses):				
Change in fund balances	-	315,958	315,958	-
Fund balance - beginning	-	-	(315,958)	(315,958)
Fund balance - ending	$ -	$ 315,958	$ -	$ (315,958)

CALHOUN COUNTY BOARD OF EDUCATION
Schedule of Changes in School Activity Funds
For the Fiscal Year Ended June 30, 2010

	Cash Balance 7/1/2009	Revenues Received	Expenditures Paid	Cash Balance 6/30/2010
Arnoldsburg Elementary General Fund	$ 48,610	$ 54,297	$ 47,593	$ 55,314
Pleasant Hill Elementary General Fund	20,252	40,671	39,797	21,126
Calhoun Middle/High General Fund	182,208	285,312	302,225	165,295
Calhoun Middle/High Child Nutrition Fund	8,159	35,035	42,657	537
Total	$ 259,229	$ 415,315	$ 432,272	$ 242,272

CALHOUN COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
For The Fiscal Year Ended June 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures Paid
U.S. Department of Agriculture			
Pass Through West Virginia Department of Education			
Child Nutrition Cluster:			
National School Breakfast and Lunch Program	10.553/10.555	88	$ 390,441
Donated Foods (Non-cash)		88	29,115
Child Nutrition ARRA	10.579	88	16,050
Total U.S. Department of Agriculture			435,606
U.S. Department of Education			
Pass Through the West Virginia Office of the Governor			
State Fiscal Stabilization ARRA Grant	84.394	52	354,832
U.S. Department of Education			
Pass Through West Virginia Department of Education			
Adult Basic Education (CGCC)	84.002	61	13,278
Title I Grants to Local Educational Agencies	84.010	41	500,271
Title I - ARRA	84.389A	41	111,619
Vocational Education Basic Grants to States	84.048	50	26,697
Special Education Cluster:			
Special Education Grants to States	84.027	43	385,883
Special Education - ARRA Grant	84.391A	43	163,238
Gear Up Program	84.334	90	49,273
Title VI Rural Education	84.358	59	24,027
Title II Improving Teacher Quality	84.367	40	222,698
Total U.S. Department of Education			1,496,984
Total Federal Financial Assistance Expended			$ 2,287,422

See Notes to the Schedule of Expenditures of Federal Awards.

CALHOUN COUNTY BOARD OF EDUCATION
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Calhoun County, West Virginia, Board of Education and is presented on a basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Food Distribution:

The Calhoun County, West Virginia, Board of Education's non-cash assistance received from the U.S. Department of Agriculture Donated Foods Program of $29,115 is included in the Schedule of Expenditures of Federal Awards based upon the fair market value of the commodities at the time of receipt and reflects the amount distributed for the year ended June 30, 2010.

The Fyffe Jones Group

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the
Calhoun County, West Virginia, Board of Education
Mt. Zion, West Virginia

We have audited the financial statements of the governmental activities and each major fund of the Calhoun County, West Virginia, Board of Education as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated February 23, 2011. 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 the Calhoun County, West Virginia, Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calhoun County, West Virginia, Board of Education'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 a combination of control deficiencies, that adversely affects the School 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 School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control.

E-MAIL info@fja-cpas.com FAX lines: Ashland: 606-324-2823; Huntington: 304-525-4230; Portsmouth: 740-353-6724

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School 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 the Calhoun County, West Virginia, 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 for the information and use of management, the officials of the board of Education, management, and the Office of the State Auditor, Chief Inspector Division, and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

THE FYFFE JONES GROUP
CERTIFIED PUBLIC ACCOUNTANTS

February 23, 2011

The Fyffe Jones Group

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

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

Honorable Members of the
Calhoun County, West Virginia, Board of Education
Mt. Zion, West Virginia

Compliance

We have audited the compliance of the Calhoun County, West Virginia, 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, 2010. The Calhoun County, West Virginia, Board of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the Calhoun County, West Virginia, 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 Nonprofit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Calhoun County, West Virginia, Board of Education's compliance with those requirements.

In our opinion, the Calhoun County, West Virginia, 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, 2010.

E-MAIL info@fja-cpas.com FAX lines: Ashland: 606-324-2823; Huntington: 304-525-4230; Portsmouth: 740-353-6724

Internal Control Over Compliance

The management of the Calhoun County, West Virginia, Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board'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 Calhoun County, West Virginia, 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 a 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 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 and use of management, the officials of the Board of Education, the Office of the State Auditor, Chief Inspector Division, and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

THE FYFFE JONES GROUP
CERTIFIED PUBLIC ACCOUNTANTS

February 23, 2011

CALHOUN COUNTY BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:
Material weakness(es) identified? No
Significant deficiencies identified that are not considered to be material weakness(es)? None
Noncompliance material to financial statements? No

Federal Awards

Internal control over major programs
Material weakness(es) identified? No
Significant deficiencies identified that are not considered to be material weakness(es)? None
Type of auditor's report issued on compliance for major programs: Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510 (a)? No

Programs tested:

CFDA Number(s)	Name of Federal Program/Cluster
84.010/84.389A	Title I
10.553/10.555/ 10.579/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B Programs: $300,000

Auditee qualified as a low-risk auditee: Yes

Section II – Financial Statement Findings

Finding #10-01

Condition:

The Calhoun County Board of Education did not have adequate internal control procedures to assure compliance with state regulations for individual schools.

Section II – Financial Statement Findings (Cont.)

Condition:

Specifically, we reviewed Calhoun Middle/High School and the following matters were noted:

Invoices were processed without purchase orders

Profit and loss reports were not conducted for fund raisers

Criteria:

The *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education, states, in part, that:

"1-18. Purchase Orders: A purchase order system is to be maintained at each school whereby all purchases of materials, equipment, supplies and services are made through pre-numbers purchase orders approved in writing by the principal or designee before the purchase is made."

"5-7. Fund Raisers: A profit and loss statement should be prepared for each fund raising activity conducted by a school support organization that shows gross proceeds, costs of goods sold and net proceeds."

Cause:

The Board does not have adequate controls to assure that proper procedures are followed for each individual school and that all individual schools meet the requirements set forth in the *Accounting Procedures Manual for the Public Schools in the State of West Virginia.*

Effect:

These noncompliances increase the risk that errors and/or irregularities will not be detected in a timely manner. Without periodic review of internal control procedures, the Board will not be aware of internal control weaknesses or errors in a time frame to permit that appropriate actions be taken promptly. In addition, without adequate approval and reporting related to fund raising activities, the Board cannot assure that all fund raising proceeds were expended in accordance with the intended purpose of the fund raising activities.

Views of Responsible Officials:

The Calhoun County Board of Education will work to correct the internal control procedures in place at the individual school level to meet requirements in the *Accounting Procedures Manual for the Public Schools in the State of West Virginia.*

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Finding #09-01

Expenditures in Excess of Amounts Allocated in the Budget

The audit finding was corrected.

Finding #09-02

Internal Controls (Individual Schools)

The audit finding was repeated, see Finding #10-01.

This page left intentionally blank.

APPENDIX B

ECONOMIC AND DEMOGRAPHIC DATA
COUNTY OF CALHOUN (WEST VIRGINIA)

Introduction

Location: Calhoun County is located in the central part of the State of West Virginia. It is approximately 76 miles from the City of Charleston, West Virginia, 184 miles from Pittsburgh, Pennsylvania, 186 miles from Columbus, Ohio, and 226 miles from Cleveland Ohio.

County Seat: Town of Grantsville

The County: The County is governed by, and generally acts through, The County Commission of Calhoun County. The Commissioners of the County Commission are elected on a countywide basis. The County has the power, pursuant to Article 1 of Chapter 7 of the Code of West Virginia of 1931, as amended, to create and establish the Commission.

Commissioners
Robert Weaver, President
Scottie V. Westfall II
Kevin Helmick

Population

Year	Calhoun County	West Virginia	United States
2000	7,582	1,806,962	282,171,957
2010	7,627	1,852,994	308,745,538

Source: U.S. Bureau of Economic Analysis

Economy (March 2010)

The ten (10) largest employers for the year 2010 in the County are:

1. Minnie Hamilton Healthcare Center, Inc
2. Calhoun County Board of Education
3. R.P.R. Industries, Inc.
4. Calhoun County Committee on Aging, Inc.
5. Ronald Lane, Inc.
6. Dominion Transmission Corporation
7. Facemire Foods, Inc.
8. Calhoun County Bank, Inc.
9. Key Energy Services, LLC
10. West Virginia Department of Highways

Source: WORKFORCE West Virginia

Per Capita Personal Income

County	2000	2009	2009 Rank in State
United States	$30,318	$39,635	---
West Virginia	$22,174	$32,080	---
Calhoun County	$15,946	$23,414	52

Source: U.S. Bureau of Economic Analysis

Average Annual Unemployment Rates (%)

Year	Calhoun County	West Virginia
2007	6.5	4.2
2008	6.6	4.3
2009	12.8	7.9
2010	14.6	9.1

Source: WORKFORCE West Virginia – Based on civilian labor force

Average Employment by Industry

Industry	2007	2008	2009	2010
Natural Resources & Mining	225	205	174	144
Construction	118	135	110	155
Manufacturing	-----	52	32	30
Trade, Transportation & Utilities	207	210	213	202
Financial Activities	-----	-----	52	53
Professional & Business Services	26	56	57	57
Education & Health Services	301	315	328	348
Leisure and Hospitality	48	46	44	41
Other Services	30	28	29	30
Government	337	335	336	336
TOTAL	1,292	1,382	1,375	1,396

Source: WORKFORCE West Virginia

Average Employment and Average Weekly Wage

	Average Employment		Average Weekly Wage	
	2007	2010	2007	2010
Calhoun County	1,399	1,396	$541.96	$598.04
West Virginia	708,313	692,305	$653.87	$725.04

Source: WORKFORCE West Virginia

Wages Per Industry (2010) ($)

Industry	Total Wages	Average Weekly Wage
Natural Resources & Mining	$5,205,404	$656.38
Construction	$7,115,078	$788.69
Manufacturing	$638,424	$409.25
Trade, Transportation & Utilities	$5,849,243	$520.04
Financial Activities	$1,402,824	$475.81
Professional & Business Services	$1,087,437	$335.48
Education & Health Services	$10,787,629	$614.67
Leisure and Hospitality	$370,841	$190.58
Other Services	$383,536	$232.67
Government	$10,637,650	$598.65
TOTAL	**$43,478,066**	**$598.74**

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Calhoun County	West Virginia
2007	$39,426,292	$24,083,126,318
2008	$43,066,773	$25,534,204,980
2009	$41,103,760	$25,528,702,813
2010	$43,478,066	$26,100,974,332

Source: WORKFORCE West Virginia

Community Data

Education Facilities	
Elementary	2
Middle or Jr. High	0
High Schools	1
Vocational Schools	1
Colleges (within 50 miles):	1
Glenville State College	

Recreational Facilities	
State Forests	0
Public Parks	5
State Parks	0
Wildlife Management Areas	1
Public Hiking Trails (miles)	3.5
Public Fishing & Boating Lakes	0
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	0
Pro/Semi-pro Sports Teams	0
Regional Shopping Centers/Malls/ outlets within 25 miles	1
Major Private Recreation/Resort Areas	0
Civic/Convention Centers	0
Medical	
Hospitals	1
Beds	43
Doctors	10
Dentists	1
Licensed Nursing Homes	1
Beds	24

Transportation	
Highways:	
Interstates	None
US Routes	33
WV Routes	5, 16, 119
Motor freight carriers	1
Rivers, nearest navigable	2
Little Kanawha and Ohio	
Industrial Parks	0
Industrial Sites	0
Airports:	3
General Aviation – Braxton County	
Commercial Service – Mid Ohio Regional	
International – Columbus International	
Railroads:	0
Motor Freight Carriers	1
Bus Service (local and interstate)	1/0
Utilities	
Telephone Service:	1
Natural Gas:	4
	(Private/Municipal/PSD)
Electricity:	1/0/0
Sewer:	0/1/1
Water	0/1/2
Other Data	
Licensed Day Care Centers	3
Banks (including branches)	3
Savings & Loans (including branches)	0
Libraries	1

Sources: West Virginia, Bureau of Employment Programs, Research, Information and Analysis, except as otherwise note.

APPENDIX C

PROPOSED FORM OF LEGAL OPINION

July 21, 2011

The Board of Education of the County of Calhoun
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151

Bond Purchaser
_____, _____

Re: $3,560,000 The Board of Education of Calhoun County (West Virginia), Public School Bonds, Series 2011

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of $3,560,000 Public School Bonds, Series 2011 (the "Bonds"), of Calhoun County School District, by and through The Board of Education of the County of Calhoun (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated July 21, 2011, 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, and mature on June 1 in years and amounts and bear interest payable each June 1 and December 1, commencing December 1, 2011, at the rates set forth in the Official Statement of the Issuer, dated July 7, 2011.

The Bonds were authorized at a special election held in Calhoun County School District on March 4, 2011, and by a Resolution and Order adopted by the Issuer (the "Resolution") on April 11, 2011, 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 thereto, in the Calhoun County School District, and paying costs of issuance of the Bonds and related costs.

As to questions of fact material to our opinion, we have relied upon the representations, covenants, certifications and opinions of the Issuer and its counsel 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 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 the power and is obligated to levy ad valorem taxes upon all the taxable property within the Calhoun 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 (including any original issue discount properly allocable to an owner thereof) 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. 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, the Tax Certificate and the certified proceedings and other certifications 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. To the extent the Bonds are not deemed designated as qualified tax-exempt obligations pursuant to the provisions of Section 265(b)(3)(D)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than Ten Million Dollars ($10,000,000) of tax-exempt obligations during the calendar year 2011. Subject to compliance by the Issuer with certain covenants and based upon certain representations made by the Issuer, Bond Counsel is of the opinion that the Bonds are qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

5. Under the Act, the Bonds are exempt from direct taxation by the State of West Virginia or any political subdivision thereof.

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.

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.

Respectfully submitted,

GOODWIN & GOODWIN, LLP

PROPOSED PROJECTS

CALHOUN COUNTY BOARD OF EDUCATION

Calhoun County Middle/High School		
Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School		
Construct a new elementary school containing approximately 36,624 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 218 students in grades PK-4.	Property to be acquired by Board of Education within 1 mile of the existing Arnoldsburg Elementary School.	Bond Funds $ 2,814,758
Total Bond Costs		**$3,560,000**

This page left intentionally blank.

APPENDIX E

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 2011 Bonds has been supplied by The Depository Trust Company ("DTC"), New York, New York. Neither the Board, nor 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 2011 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 2011 Bonds, in the aggregate principal amount of the Series 2011 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 and www.dtc.org.

3. Purchases of Series 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 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 2011 Bonds 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 Series 2011 Bonds, except in the event that use of the book-entry system for the Series 2011 Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2011 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 2011 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 2011 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 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 2011 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2011 Bonds may wish to ascertain that the nominee holding the Series 2011 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 2011 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 2011 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission 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 2011 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 2011 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 Board 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 Series 2011 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 Board, 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 Board 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 2011 Bonds at any time by giving reasonable notice to the Board 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 Board 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 Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

No Assurances Regarding DTC Practices

The Board, 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 2011 Bonds (1) payments of principal of or interest and premium, if any on the Series 2011 Bonds, (2) confirmations of beneficial interest in the Series 2011 Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Series 2011 Bonds, or that they will do so on a timely basis, or that DTC, DTC 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 Board, 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 2011 Bonds; (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2011 Bonds Resolution to be given to the Bondholders; or (4) the selection of the Beneficial Owners to receive payment in excess of any partial redemption of the Series 2011 Bonds.

This page left intentionally blank.

APPENDIX F

ELECTED OFFICIALS OF THE BOARD

Steve Whited, President

Mr. Whited was re-elected for a four year term which began on July 1, 2010 and is currently the Board President. He graduated from Calhoun County High School in 1992, West Virginia University with a BS in Finance in 1996, and earned his MBA from Salem International University in 2010. Mr. Whited is currently the Chief Operating Officer and Chief Financial Officer of Minnie Hamilton Health Care Center, Inc., a hospital located in Grantsville, and has been employed there for 15 years. Mr. Whited served as a volunteer firefighter for over 10 years, a little league baseball coach for 5 years, and was president of the county park for over 8 years. He has volunteered hundreds of hours helping the local historical society, building and improving school playgrounds, and serving the community needs. Mr. Whited is married and has three children, all whom are in the county school system. His term will expire in June of 2014.

Cynthia Dale, Vice President

Mrs. Dale was elected for a 4 year term which began on July 1, 2008. She received a Bachelor's Degree from Glenville State College, a Master's Degree from Marshall University and an Educational Leadership Degree from Salem International University. Mrs. Dale taught for many years in the Cabell County School System in Huntington, WV. She is currently co-owner of Drilco Oil & Gas Corporation. She has acted as President of the Board of Education and currently is Vice-President of the Board. Her term will expire in June of 2012.

Faye Barnhart

Mrs. Barnhart was elected to a 4 year term on the Board of Education beginning on July 1, 2010. She is employed as a Chart Integrator for Little Kanawha Gas Measurements. During the past 25 years Mrs. Barnhart has been involved in many county organizations from youth football to high school cheerleading. She and her husband have been residents of Calhoun County for 31 years. They have 2 children and 2 grandchildren. Her term will expire in June of 2014.

Joy Starcher

Mrs. Starcher was elected for a 4 year term (2004-2008) which began on July 1, 2004 and was re-elected again in 2008 for a second term. She graduated from Calhoun County High School in 1959 and was employed in the County Clerk's office in January, 1960. Mrs. Starcher worked one month with the West Virginia Department of Welfare (1967) before returning to County Government to work in the Prosecuting Attorney's office until the fall of 1975. She was offered a job with Calhoun County Board of Education in the fall of 1975 and retired from the system in 2004. Mrs. Starcher and husband Marvin have been married 32 years. Her term will expire in June of 2012.

Michael Wilson

Mr. Wilson was re-elected to his 2nd term on the Calhoun County Board of education which began July 1, 2010. He is a 1987 graduate of Calhoun County High School and attended Parkersburg Community College. Mr. Wilson is employed by Dominion Transmission. Mr. Wilson is the father of 5 children and is married to Jessica (Rogers) Wilson. He resides in Arnoldsburg, WV. His term will expire in June of 2014.

APPOINTED OFFICIALS OF THE BOARD

Roger D. Propst, Superintendent

Mr. Propst was appointed Superintendent of Schools on November 13, 2008. He received his Bachelor of Arts Degree in Education from Glenville State College, Glenville, West Virginia in 1971. He received his Master of Arts Degree in Educational Leadership in 1982 from West Virginia University. He was employed by Calhoun County Schools in 1980 and has served as teacher, Attendance Director, Director of Support Services, Director of Finance, and Principal of Administration at Calhoun Middle/High School prior to his appointment as Superintendent.

Patricia Riddle, Treasurer

Ms. Riddle was appointed to the position of Director of Finance/Treasurer in 2007. She received her B.A. degree in accounting from Glenville State College in 1988. She was previously employed by Hayhurst Equipment for 13 years in the accounting department.

APPENDIX G

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 CALHOUN (the "Board"), and UNITED BANK, INC., Charleston, West Virginia, (the "Dissemination Agent"), in connection with the issuance of $3,560,000, The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds");

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

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the Board as of the date set forth below, for the benefit of the holders and owners (the "Bondholders") of the Series 2011 Bonds and in order to assist the Participating Underwriters (as defined below) in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only obligated person (as defined in the Rule) with respect to the Series 2011 Bonds at the time the Series 2011 Bonds are delivered to the Participating Underwriters and that no other person is expected to become an obligated person at any time after the issuance of the Series 2011 Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited consolidated financial statements of the Board, prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the U.S. Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Material Event" means the occurrence of any of the events with respect to the Series 2011 Bonds set forth in Exhibit II.

"Material Events Disclosure" means dissemination of a notice of a Material Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriters" means each broker, dealer or municipal securities dealer acting as an Underwriter in any primary offering of the Series 2011 Bonds.

"Prescribed Form" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of West Virginia.

"Undertaking" means the obligations of the Board pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the final maturity of the Series 2011 Bonds is _____. The final Official Statement relating to the Series 2011 Bonds is dated July ____, 2011 (the "Final Official Statement").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I). The Board may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 270 days of the completion of the Board's fiscal year. However, if the Audited Financial Statements are not available at that time, they will be provided within 10 business days of receipt by the Board.

The Board is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2011 Bonds or defeasance of any Series 2011 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2011 Bonds pursuant to the Indenture. From and after the Effective Date, the Board is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty To Update EMMA/MSRB. The Board shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the Board to Provide Information. The Board shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Agreement, the Bondholder of any Bond may seek specific performance by court order to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Series 2011 Bonds or any agreement related thereto, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Board may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2011 Bonds, as determined either by parties unaffiliated with the Board or by an approving vote of the Bondholders of the Series 2011 Bonds holding a majority of the aggregate principal amount of the Series 2011 Bonds (excluding Series 2011 Bonds held by or on behalf of the Board or its affiliates) pursuant to the terms of the Bond Order at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the Board shall be terminated hereunder when the Board shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2011 Bonds. The Board shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Board has appointed United Bank, Inc., Charleston, West Virginia, as Dissemination Agent in connection with the issuance of the Series 2011 Bonds to assist the Board in carrying out its obligations under this Agreement. The Board may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Board chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Board shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Board, the Dissemination Agent and the Bondholders of the Series 2011 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Board shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The Board represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State.

Dated: July _____, 2011.

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

By: _____
Title: Secretary

UNITED BANK, INC.

By: _____
Title: Vice President

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data exclusive of Audited Financial Statements of the type appearing in the Final Official Statement or incorporated by reference in the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Board shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of the Board's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available within such 270 days or when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Board.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the Board, the Board will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2011 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Nonpayment-related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

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

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

7. Modifications to rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the Board*

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

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

---

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

EXHIBIT III

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: $3,560,000 Public School Bonds, Series 2011

Date of Bond Issue: July , 2011

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Financial Information with respect to the above-named Series 2011 Bonds as required by Section 4 of the Continuing Disclosure Agreement dated _____, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____.

Dated: _____

UNITED BANK, INC.

By: _____

Title: _____

cc: [Board]

This page left intentionally blank.

OFFICIAL NOTICE OF SALE

$3,560,000
The Board of Education of the
County of Calhoun (West Virginia)
Public School Bonds, Series 2011

The Board of Education of the County of Calhoun, West Virginia, (the "Board") is using PARITY® as a communication mechanism to conduct the electronic bidding for sale of its $3,560,000 Public School Bonds, Series 2011 (the "Series 2011 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, Eastern Standard Time**, on **July 7, 2011**. Bids for the Series 2011 Bonds may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, Eastern Standard Time, but no bid will be accepted 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 1359 Broadway, 2nd Floor, New York, NY 10018, telephone 212.849.5021. The bids will be publicly announced, and the Board will act upon the bids by 2:00 p.m., Eastern Standard Time.

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY®. No in person or fax bids will be accepted. Subscription to PARITY® is required in order to submit an electronic bid and the Board will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe. No other form of electronic bid or provider of electronic bidding services will be accepted.

For the purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all electronic bids submitted.

Each bid must be unconditional.

The Board expects to take the bids on the Series 2011 Bonds on July 7, 2011. However, the Board reserves the right to postpone the date and time established for the receipt of the bids or to change the bidding parameters set forth in this Official Notice of Sale. Any such postponement or change will be announced by TM3, 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 an electronic bid for the purchase of the Series 2011 Bonds on such alternative sale date in conformity with the provisions of the Official Notice of Sale, except for any changes announced via TM3 or any other such service, as described therein.

Preliminary Official Statement

Copies of the Preliminary Official Statement concerning the Series 2011 Bonds and the Official Form of Proposal relating to the Series 2011 Bonds may be secured from Roger D. Propst, Superintendent, Calhoun County Board of Education, 540 Alan B. Mollohan Drive, Mt. Zion, West Virginia, telephone 304.354.7011 or from Raymond James & Associates, Inc., 500 Lee Street, East, Suite 530, Laidley Tower, Charleston, West Virginia, 25301, telephone 304.346.1981.

The Series 2011 Bonds

The Series 2011 Bonds will be dated the date of their delivery (the "Dated Date") and will mature on June 1 in the years and in the amounts as follows:

Maturing (June 1)	Principal Amount ($)	Maturing (June 1)	Principal Amount ($)
2012	80,000	2022	175,000
2013	115,000	2023	185,000
2014	120,000	2024	195,000
2015	125,000	2025	205,000
2016	130,000	2026	215,000
2017	140,000	2027	225,000
2018	145,000	2028	240,000
2019	150,000	2029	250,000
2020	160,000	2030	260,000
2021	170,000	2031	275,000

The Series 2011 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 Calhoun 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 Series 2011 Bonds when due.

The Series 2011 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 Series 2011 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 Series 2011 Bonds will not receive certificates representing their interests in the Series 2011 Bonds.

Pursuant to Chapter 13, Article 1, of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Series 2011 Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Series 2011 Bonds will be payable on December 1, 2011 and semiannually thereafter (each June 1 and December 1) in each year until maturity. The principal of and interest on the Series 2011 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 Series 2011 Bonds.

The Board has designated the Series 2011 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended ("the Code"). In the opinion of Bond Counsel, the Series 2011 Bonds are "qualified tax-exempt obligations" and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2011 Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2011 Bonds is deductible for federal income tax purposes.

Optional Redemption

The Series 2011 Bonds maturing on or after June 1, 2022, are subject to redemption on or after June 1, 2021, 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 Series 2011 Bonds and the amounts thereof to be redeemed, provided that the Series 2011 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 Series 2011 Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Series 2011 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 Series 2011 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 Series 2011 Bonds having been deposited, the Series 2011 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 Series 2011 Bonds shall cease to bear interest.

Insurance at Bidder's Option

If the Series 2011 Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof, 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 Series 2011 Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Series 2011 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 Series 2011 Bonds.

Terms of Sale

Bidders may only bid to purchase all of the Series 2011 Bonds. Each proposal must state the amount bid for the Series 2011 Bonds, not less than $3,560,000 or greater than 105% of the par value of the Series 2011 Bonds, and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Series 2011 Bonds are to bear, but must <u>not</u> state:

(a) any interest rate which is in excess of 6.50% per annum,

(b) more than one interest rate for any Series 2011 Bonds having like maturity, and

(c) any interest rate for Series 2011 Bonds which exceeds the interest rate stated in such proposal for any other Series 2011 Bonds by more than three percent (3%).

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.

Award

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 Series 2011 Bonds at the lowest true interest cost ("TIC"). For the purpose of determining the successful bidder, the true interest cost (TIC) will be the annual interest rate based on a 360-day year or twelve-30 day months, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Series 2011 Bonds to the date of delivery of the Bonds, results in an amount equal to the bid price for the Series 2011 Bonds. If there is more than one such proposal making such offer at the same lowest cost, the Series 2011 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 TIC.

The Board reserves the right to reject any or all bids and to reject any bid not complying with this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid.

Good Faith Deposit

A good faith deposit in the amount of $71,200 (the "Good Faith Deposit") is required in connection with the sale of the Series 2011 Bonds. The Good Faith Deposit may be provided for by (i) a certified, bank cashier's, treasurer's or official check drawn upon or certified by a responsible banking institution and made payable to the order of the "The Board of Education of Calhoun County, West Virginia", delivered at or prior to the time of bid, or (ii) a federal funds wire transfer to be submitted to the Board by the successful bidder not later than 3:00 P.M., Eastern Standard Time, on the Date of Sale (the "Wire Transfer Deadline") as set forth below under "Wire Transfers". The Good Faith Deposit of the successful bidder will be collected and the proceeds thereof retained by the Board to be applied in partial payment of the Series 2011 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages. Checks of unsuccessful bidders will be returned promptly after the Series 2011 Bonds are awarded to the successful bidder.

If the successful bidder chooses to deliver its Good Faith Deposit by federal funds wire transfer, the Board will distribute wiring instructions for the Good Faith Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Good Faith Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Series 2011 Bonds to the successful bidder may be cancelled by the Board in its discretion without any financial liability of the Board to the successful bidder or any limitation whatsoever on the Board's right to sell the Series 2011 Bonds to a different purchaser upon such terms and conditions as the Board shall deem appropriate.

Certificate of Winning Bidder

The successful bidder will be required to provide to the Financial Advisor by facsimile transmission to 304.346.1985 within one-half (½) hour after the verbal award of the Series 2011 Bonds the initial offering price/yields of the Series 2011 Bonds to the public (excluding bond houses and brokers). The successful bidder also must submit to the Board an underwriter's certificate in the form attached hereto as Exhibit A (the "Underwriter's Certificate"), the form of which has been approved by Bond Counsel, prior to the delivery of the Series 2011 Bonds. By submitting its bid, each bidder agrees that, if it is awarded the Series 2011 Bonds, it will either retain the Series 2011 Bonds as a long term investment for its own account or make a bona fide public offering of the Series 2011 Bonds of each maturity to the public after the award at an initial offering price as stipulated herein. It shall be a condition of the Board's obligation to deliver the Series 2011 Bonds that the successful bidder provide documentation as to its compliance with such requirements for purposes of the Internal Revenue Code of 1986, as amended, in form and substance satisfactory to Bond Counsel, including but not limited to the Underwriter's Certificate.

Delivery of the Series 2011 Bonds

The Series 2011 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 Calhoun, West Virginia". It is expected that the Series 2011 Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about July 21, 2011, 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.

Opinions of Bond Counsel

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 2011 Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2011 Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Series 2011 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 the enforceability of rights or remedies with respect to the Series 2011 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 Series 2011 Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Series 2011 Bonds, including (i) a certificate dated the date of delivery of the Series 2011 Bonds, stating that there is no litigation pending or threatened affecting the validity of the Series 2011 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 Series 2011 Bonds, (ii) a certificate dated the date of delivery of the Series 2011 Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Series 2011 Bonds and at all times subsequent thereto up to and including the time of delivery of the Series 2011 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 Series 2011 Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 Bonds and investment earnings thereon on certain specified purposes. The Series 2011 Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Series 2011 Bonds are binding obligations of the Board and are incontestable.

Final Official Statement

Within seven (7) business days after the award of the Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 Bonds, the successful bidder will also be furnished, without cost, up to 125 copies of the Official Statement (and any amendment or supplement thereto).

CUSIP

It is anticipated that CUSIP identification numbers will be printed on the Series 2011 Bonds, but neither the failure to print such numbers on any Series 2011 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 Series 2011 Bonds in accordance with terms of this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Series 2011 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 CALHOUN

By: Roger D. Propst
Title: Superintendent, The Board of Education of the County of Calhoun

DATE: June 23, 2011

EXHIBIT A

$3,560,000
The Board of Education of the
County of Calhoun (West Virginia)
Public School Bonds, Series 2011

CERTIFICATE OF UNDERWRITER

_____ (the "Underwriter"), as underwriter of the Series 2011 Bonds identified above, issued by The Board of Education of Calhoun County, West Virginia (the "Issuer"), based on its knowledge regarding the sale of the Series 2011 Bonds, certifies as of this date as follows:

1. All of the Series 2011 Bonds were offered to the general public in a bona fide public offering at the initial offering prices set forth on Exhibit A attached hereto (the "Initial Offering Price" as applicable to the respective maturities). The fair market value of the Series 2011 Bonds is not in excess of the Initial Offering Price. The Issue Price of the Series 2011 Bonds, based upon the reasonable expectations of the Underwriter as of the date of the initial offering is $ 3,560,000. Except for the ____, ____, ____, ____ and ____ maturities, a substantial amount of each maturity of the Series 2011 Bonds (in excess of 10% of each maturity) was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters of wholesalers) at the Initial Offering Price applicable to such maturity.

2. At the Issuer's direction, based upon our participation in the transaction and our knowledge and experience with bond insurance (in which the credit enhancer has no involvement other than as a credit enhancer), and, as to (b) below, based on estimates by the Underwriter of the likely Yields at which such obligations may have sold in the absence of the bond insurance:

(a) The premium paid for the Bond Insurance on the Series 2011 Bonds does not exceed a reasonable charge for the transfer of credit risk, taking into account charges by credit enhancers in similar transactions with which the Underwriter is familiar.

(b) The present value of the premium paid for the Bond Insurance is less than the present value of the interest reasonably expected to be saved on the Series 2011 Bonds as a result of the Bond Insurance, for which purpose present value is computed by using the yield-to-maturity (or prior optional redemption date, if applicable) of the Series 2011 Bonds (taking into account both the premium paid for the Bond Insurance) as the discount rate.

All capitalized terms not defined in this Certificate have the respective meanings set forth in the Tax and Non-Arbitrage Certificate.

The signer is an officer of the Underwriter and duly authorized to execute and deliver this Certificate of the Underwriter. The Underwriter understands that the certifications contained in this Certificate will be relied on by the Issuer in making certain of their representations in the Tax and Non-Arbitrage Certificate and in completing and filing the Information Return for the Series 2011 Bonds, and by Goodwin & Goodwin, LLP, as Bond Counsel, in rendering certain of its legal opinions in connection with the issuance of the Series 2011 Bonds.

Dated _____, 2011 [_____UNDERWRITER_____]

By: _____
Its:

This page left intentionally blank.

OFFICIAL FORM OF PROPOSAL

Roger D. Propst, Superintendent
The Board of Education of the County of Calhoun, West Virginia

Superintendent:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated June 23, 2011 which are hereby made part of this bid, we offer to purchase all of the $3,560,000, the Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds"), described in said Official Notice of Sale, for the price of $3,560,000 plus a premium of $_____ (not to exceed 105% of the par value of the Series 2011 Bonds). The Series 2011 Bonds maturing in the years set forth below shall bear interest at the respective rates set opposite such years in the following table

Maturing (June 1)	Principal Amount ($)	Interest Rate (%)	Maturing (June 1)	Principal Amount ($)	Interest Rate (%)
2012	80,000	_____	2022	175,000	_____
2013	115,000	_____	2023	185,000	_____
2014	120,000	_____	2024	195,000	_____
2015	125,000	_____	2025	205,000	_____
2016	130,000	_____	2026	215,000	_____
2017	140,000	_____	2027	225,000	_____
2018	145,000	_____	2028	240,000	_____
2019	150,000	_____	2029	250,000	_____
2020	160,000	_____	2030	260,000	_____
2021	170,000	_____	2031	275,000	_____

Please check one of the following:

- ❑ 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 Calhoun for $71,200 which check is to be applied in accordance with said Official Notice of Sale.

- ❑ Will wire funds in the amount of $71,200 by 3:00 pm, local time, day of bid, if successful.

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 _____, 2011

By: _____, The Board of Education of the County of Calhoun

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:_____

This page left intentionally blank.

MIX
From responsible sources
FSC™ C017146
FSC
www.fsc.org

Printed by: ImageMaster

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 Series 2011 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. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2011 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein

$3,560,000
The Board of Education of the County of Calhoun (West Virginia) Public School Bonds, Series 2011

Dated: Date of Delivery **Due:** June 1, as shown below

The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds") are general obligations of The Board of Education of the County of Calhoun, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Calhoun County School District to pay the Series 2011 Bonds and the interest thereon, without limitation as to rate or amount.

The Series 2011 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 Series 2011 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 Series 2011 Bonds will not receive certificates representing their interests in the Series 2011 Bonds.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Series 2011 Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated United Bank, Inc., Charleston, West Virginia, as Registrar.

Interest on the Series 2011 Bonds will be payable on December 1, 2011 and semiannually thereafter (each June 1 and December 1) in each year until maturity. The principal of and interest on the Series 2011 Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Series 2011 Bonds, as described herein.

The Board has designated the Series 2011 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In the opinion of Bond Counsel, the Series 2011 Bonds are "qualified tax-exempt obligations" and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2011 Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2011 Bonds is deductible for federal income tax purposes.

The Series 2011 Bonds are subject to redemption prior to maturity as described herein.

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS

Maturing (June 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP* Base #: 129748	Maturing (June 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP* Base #: 129748
2012	80,000	3.25%	0.63%	AR0	2022	175,000	3.25%	3.35%	BB4
2013	115,000	3.25%	0.82%	AS8	2023	185,000	3.40%	3.51%	BC2
2014	120,000	3.25%	1.10%	AT6	2024	195,000	3.60%	3.66%	BD0
2015	125,000	3.25%	1.40%	AU3	2025	205,000	3.75%	3.81%	BE8
2016	130,000	3.25%	1.68%	AV1	2026	215,000	3.85%	3.92%	BF5
2017	140,000	3.25%	2.07%	AW9	2027	225,000	3.90%	4.00%	BG3
2018	145,000	3.25%	2.42%	AX7	2028	240,000	4.00%	4.08%	BH1
2019	150,000	3.25%	2.74%	AY5	2029	250,000	4.10%	4.16%	BJ7
2020	160,000	3.25%	2.97%	AZ2	2030	260,000	4.15%	4.25%	BK4
2021	170,000	3.25%	3.16%	BA6	2031	275,000	4.20%	4.34%	BL2

The Series 2011 Bonds are offered for delivery when, as and if issued, subject to approval of legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board. It is expected that the Series 2011 Bonds will be available for delivery to DTC, New York, New York, on or about July 21, 2011.

Crews & Associates, Inc.

Dated: July 7, 2011
*See inside cover for footnote

$3,560,000
The Board of Education of the
County of Calhoun (West Virginia)
Public School Bonds, Series 2011

ELECTED OFFICIALS

Steve Whited, President
Cynthia Dale, Vice President
Joy Starcher, Board Member
Faye Barnhart, Board Member
Michael Wilson, Board Member

APPOINTED OFFICIALS

Roger D. Propst, Superintendent
Patricia Riddle, Treasurer

BOARD'S COUNSEL

Bowles Rice McDavid Graff & Love LLP
Charleston, West Virginia

BOND COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

FINANCIAL ADVISOR

Raymond James & Associates, Inc.
Charleston, West Virginia

*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 Series 2011 Bonds only at the time of issuance of the Series 2011 Bonds. Neither the Underwriters nor the Board makes any representation with respect to the accuracy of such CUSIP numbers as indicated in the above table or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2011 Bonds.

No dealer, broker, salesman or other person has been authorized by the Board 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 there any sale of the Series 2011 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.

TABLE OF CONTENTS

INTRODUCTION 1
SERIES 2011 BONDS 1
General 1
Optional Redemption 2
Authority and Purpose 2
Nature of Obligation, Security and Source of Payments 3
Debt Administration 3
SCHOOL DISTRICT 4
General 4
Historical School Enrollment 4
Projected Enrollment 5
Facilities 5
Tax Collection Procedures 5
Tax Levies and Collections 6
Assessment Procedure 6
Property Classification 7
Assessed Valuations 7
Assessed Valuation by Property Class 7
Assessed Valuation by Property Category 7
Largest Assessed Valuations 8
Tax Rate Comparisons 8
County Tax Rates 8
School Tax Rates 9
Rates of Levy 9
Summary of Statistical Debt Information 10
Debt Service Requirements 11
Overlapping Debt 11
CERTAIN FINANCIAL INFORMATION 12
Description of Funds 12
Investment of Certain Funds 12
Accounting Practices 12
Annual Audit 13
Budgetary Procedures 13
Internal Control 13
Statement of Revenues and Expenditures – Budget and Actual 14
Insurance Coverage 15
Teachers Retirement Systems 16
TAX MATTERS 17
LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM 18
LITIGATION 19
CONTINUING DISCLOSURE 20
LEGAL MATTERS 20
SALE AT COMPETITIVE BIDDING 20
UNDERWRITING 20
RATING 21
FINANCIAL ADVISOR 21
CONCLUDING STATEMENT 21
APPENDIX A
Audit Report of Calhoun County Board of Education for the Fiscal Year Ended June 30, 2010
APPENDIX B
Economic and Demographic Data – County of Calhoun (West Virginia)
APPENDIX C
Form of Legal Opinion
APPENDIX D
Proposed Projects
APPENDIX E
Book-Entry Only System
APPENDIX F
Elected Officials of the Board
Appointed Officials of the Board
APPENDIX G
Continuing Disclosure Agreement

(THIS PAGE INTENTIONALLY LEFT BLANK)

OFFICIAL STATEMENT
RELATING TO

$3,560,000
The Board of Education of the County of Calhoun (West Virginia) Public School Bonds, Series 2011

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $3,560,000 in aggregate principal amount of The Board of Education of the County of Calhoun (West Virginia) Public School Bonds, Series 2011 (the "Series 2011 Bonds"). A brief description of The Board of Education of the County of Calhoun, West Virginia (the "Board"), the Calhoun County School District (the "School District") and the County of Calhoun, West Virginia (the "County" or "Calhoun County"), with which the School District is coterminous, is provided, together with a description of the Series 2011 Bonds and sources of payment therefor.

The Series 2011 Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

In addition to the Series 2011 Bonds, the Board also has outstanding its Public School Bonds, Series 1996 (the "Series 1996 Bonds"), in the original amount of $3,370,000 and currently outstanding in the amount of $345,000 due May 1, 2012. There are currently enough funds on deposit at the West Virginia Municipal Bond Commission to pay all the outstanding principal and interest due on the Series 1996 Bonds. The Board passed a Resolution on June 21, 2011 authorizing the West Virginia Municipal Bond Commission to call the outstanding Series 1996 Bonds. A notice was issued to call the outstanding Series 1996 Bonds on August 1, 2011.

SERIES 2011 BONDS

General

The Series 2011 Bonds will be dated the date of delivery, will be issued as fully registered bonds in $5,000 denominations or integral multiples thereof, and are payable on June 1, in the years and amounts as follows:

Maturing (June 1)	Principal Amount ($)	Maturing (June 1)	Principal Amount ($)
2012	80,000	2022	175,000
2013	115,000	2023	185,000
2014	120,000	2024	195,000
2015	125,000	2025	205,000
2016	130,000	2026	215,000
2017	140,000	2027	225,000
2018	145,000	2028	240,000
2019	150,000	2029	250,000
2020	160,000	2030	260,000
2021	170,000	2031	275,000

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), both the principal of and interest on the Series 2011 Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent"). The Board has designated United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Series 2011 Bonds will be payable on December 1, 2011 and semi-annually thereafter (each June 1 and December 1) in each year until 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 Series 2011 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 Series 2011 Bonds maturing on or after June 1, 2022, are subject to redemption on or after June 1, 2021, 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 Series 2011 Bonds and the amounts thereof to be redeemed, provided that the Series 2011 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 Series 2011 Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Series 2011 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 Series 2011 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 Series 2011 Bonds having been deposited, the Series 2011 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 Series 2011 Bonds shall cease to bear interest.

Authority and Purpose

Authority

The issuance of the Series 2011 Bonds and the levy of taxes sufficient to pay the interest on the principal of such Series 2011 Bonds were authorized and approved at the countywide special election held on March 4, 2011, 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 20 and ½ years from the date of issuance of the Series 2011 Bonds and an interest rate not exceeding 6 1/2% per annum. The canvass of said special election showed 545 "Yes" votes and 263 "No" votes, a 67% 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.

Purpose

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

Nature of Obligation, Security and Source of Payments

The Series 2011 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 Series 2011 Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

Pursuant to Chapter 13, Article 3 of the Code of West Virginia, the West Virginia Municipal Bond Commission (the "Bond Commission") shall serve as fiscal agent for all issuers of general obligation bonds issued by counties, municipalities, and school districts of the State and is charged with the administration of the interest and sinking funds created to service the debt. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff, 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 2011 Budget Bill is indicative:

> [Section 14]: 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 Calhoun. The enforceability of rights or remedies with respect to the Series 2011 Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

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 elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. In 2012, the terms of two members will expire. The process will be repeated every two years thereafter.

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

During the fiscal year 2010-2011, the Calhoun County school system has an administrative staff of six with the overall responsibility to coordinate and supervise the activities of five school administrators, 77 instructional staff (teachers and other professionals), and 54 service personnel. Total Full Time Equivalent positions are 142. The estimated pupil-teacher ratio for the 2010-2011 school year is 12.5 to 1 (combined elementary, middle and secondary schools). The total student enrollment (head count) is 1,122 students PreK-12.

Historical School Enrollment (School Year – Enrollments are October of each year.)

Grades	2006-2007	2007-2008	2008-2009	2009-2010	2010-1011
PK-EC	68	83	61	65	76
K	103	92	87	65	98
1	79	84	84	82	65
2	83	80	85	83	81
3	68	81	78	84	85
4	81	86	81	76	86
5	91	82	67	80	79
6	87	89	90	74	80
7	76	84	90	91	80
8	78	73	84	90	86
9	97	80	76	77	90
10	87	97	77	72	78
11	84	81	93	74	71
12	71	79	73	91	67
Total	**1,153**	**1,151**	**1,126**	**1,104**	**1,122**

Rate of Increase (Decrease) in Enrollment	
2006-2010	-2.7%
Average Annual	-0.7%

Source: Calhoun County Board of Education

Projected Enrollment*

Year (October)	Enrollment (School Year)
2011	1,015
2012	1,012
2013	1,015
2014	1,018
2015	1,000

Facilities*

School	Grades	Construction Type	Construction Date	Renovations or Additions
Arnoldsburg Elementary	Pre-K to 4	M&S	1951	1979, 1991, 1998
Pleasant Hill Elementary	Pre-K to 4	M&S	1978	1983, 2010
Calhoun Middle High School	5 to 12	M&S	1998	

*Source: Calhoun County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Calhoun 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 ½% discount if paid by September; 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 ½% 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 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 ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual Collected ($)	Actual Collected (%)
2005-2006				
General Current	1,196,567.00	1,097,294.00	1,243,006.38	102.93
Bond Levy	328,940.00	328,425.00	350,645.62	106.60
Excess Levy	40,898.00	38,270.00	41,480.22	101.42
2006-2007				
General Current	1,218,576.00	1,117,476.00	1,215,120.24	99.72
Bond Levy	332,450.00	332,450.00	338,370.96	101.78
Excess Levy	0.00	0.00	2,261.59	
2007-2008				
General Current	1,309,843.00	1,201,172.00	1,307,942.74	99.85
Bond Levy	340,289.00	340,289.00	342,834.93	100.75
Excess Levy	35,784.00	33,485.00	34,370.67	96.05
2008-2009				
General Current	1,402,723.00	1,286,346.00	1,395,404.80	99.48
Bond Levy	342,727.00	342,500.00	347,229.76	101.31
Excess Levy	38,322.00	35,860.00	38,628.00	100.80
2009-2010				
General Current	1,476,812.00	1,354,287.00	1,459,794.30	98.85
Bond Levy	348,649.00	348,500.00	351,800.50	100.90
Excess Levy	40,347.00	37,755.00	40,610.17	100.65

*Source: Calhoun 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 government 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 2010 assessment year valuations are made as of July 1, 2009, with taxes levied and collected during the fiscal year July 1, 2010, through June 30, 2011.

The State Tax Commissioner has the responsibility for preparing tentative valuations for 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 Calhoun County School District includes all of Calhoun County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code (the "Property Valuation Act") 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 Property Valuation Act 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 Property Valuation Act 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	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	2,247,503	0	0	0	0
II	64,231,604	66,481,874	70,185,971	71,478,417	73,944,396
III	126,712,084	138,296,078	145,904,990	154,776,714	137,494,784
IV	9,404,394	9,226,418	9,312,806	9,461,113	10,109,895
Total	202,595,585	214,004,370	225,403,767	235,716,244	221,549,075

Assessed Valuation by Property Category*

Category	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Real	103,761,250	106,914,260	112,458,000	116,934,690	116,291,290
Personal	76,521,204	83,649,053	88,164,721	94,369,809	77,613,989
Public Utility	22,313,131	23,441,057	24,781,046	24,411,745	27,643,796
Total	202,595,585	214,004,370	225,403,767	235,716,244	221,549,075

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

17,944,174	in 2007-2008	18,675,903	in 2009-2010	19,125,495	in 2011-2012
18,653,790	in 2008-2009	18,873,298	in 2010-2011		

Source: State Tax Department

Largest Assessed Valuations*

Property Owner	Assessed Valuation ($) (Tax Year 2011)
MONONGAHELA POWER COMPANY - ELECTRIC	9,128,760
DOMINION TRANSMISSION INC.	8,116,335
CITIZENS TELECOM CO OF WV	3,473,013
WEST VIRGINIA OIL GATHERING CORP	2,317,479
COLUMBIA GAS TRANSMISSION CORP	1,990,211
CRANBERRY PIPELINE CORPORATION	1,390,899

*Public Utilities Allocation of Assessed Values for Class III or IV.
Non-Taxable Property was not included in this chart.
Source: West Virginia State Auditor's Office

Tax Rate Comparisons*

The following shows Calhoun 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 2011; Fiscal Year 2011-2012.

County	Class I	Class II	Class III/IV
Calhoun	42.35	84.70	169.40
Braxton	42.38	84.76	169.52
Clay	54.75	109.50	219.00
Gilmer	45.63	91.26	182.52
Ritchie	55.72	111.44	222.88
Roane	40.67	81.34	162.68
Wirt	61.76	123.52	247.04

*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.

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.

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 five years without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia of 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $0.2295 per $100 assessed valuation in respect to Class I, $0.4590 per $100 in respect to Class II, and $0.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

School Current Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	.53	.53	.53	.53	.53
II	1.06	1.06	1.06	1.06	1.06
III and IV	2.12	2.12	2.12	2.12	2.12

School Bond Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	5.04	4.74	4.58	4.48	4.40
II	10.08	9.48	9.16	8.96	8.80
III and IV	20.16	18.96	18.32	17.92	17.60

Rates of Levy

The tax rates for citizens of the County, including those imposed by the Board, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2011-2012 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	.25	.50	1.00
County Current	14.30	28.60	57.20
County Excess	3.47	6.94	13.88
School Current	19.40	38.80	77.60
School Bond	4.40	8.80	17.60
School Excess	.53	1.06	2.12

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional current rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2011-2012 fiscal year.

Municipality	Class I	Class II	Class IV
Grantsville - Current	12.50	25.00	50.00
Excess	6.25	12.50	25.00

Source: West Virginia State Auditor

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2010)	7,627
Assessed Valuation*	221,549,075
Debt Limit (5% of Assessed Valuation)	11,077,453
Outstanding Debt (Including the Series 2011 Bonds)	3,560,000**
Debt Contracting Margin	7,517,453
Per Capita Debt	$466.76
Outstanding Debt as percentage of Assessed Valuation	1.61%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2011, Fiscal Year 2012).

** This excludes the Series1996 Bonds which funds are on deposit to pay outstanding principal to be called on August 1, 2011.

(Remainder of this page left intentionally blank.)

Debt Service Requirements

Upon issuance of the Series 2011 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

Maturing (June 1)	Principal Amount ($)	Interest ($)	Total ($)
2012	80,000	111,354.58	191,354.58
2013	115,000	126,715.00	241,715.00
2014	120,000	122,977.50	242,977.50
2015	125,000	119,077.50	244,077.50
2016	130,000	115,015.00	245,015.00
2017	140,000	110,790.00	250,790.00
2018	145,000	106,240.00	251,240.00
2019	150,000	101,527.50	251,527.50
2020	160,000	96,652.50	256,652.50
2021	170,000	91,452.50	261,452.50
2022	175,000	85,927.50	260,927.50
2023	185,000	80,240.00	265,240.00
2024	195,000	73,950.00	268,950.00
2025	205,000	66,930.00	271,930.00
2026	215,000	59,242.50	274,242.50
2027	225,000	50,965.00	275,965.00
2028	240,000	42,190.00	282,190.00
2029	250,000	32,590.00	282,590.00
2030	260,000	22,340.00	282,340.00
2031	275,000	11,550.00	286,550.00
Totals	$3,560,000	1,627,727.08	5,187,727.08

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 Revenue Fund: Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Series 2011 Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in The Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of

Activities) are prepared using the economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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 (Regulatory Basis)

General Current Expense Fund
Fiscal Year ended June 30

	2009 Budget	2009 Actual	2010 Budget	2010 Actual*	2011 Budget	2012 Budget
Revenues:						
Local Sources:						
Property Taxes	1,201,170	1,434,033	1,487,039	1,500,404	1,328,200	1,350,096
Other Local Sources	79,150	50,938	89,019	70,831	31,000	9,000
State Sources						
Other Unrestricted	5,963,822	6,123,705	5,687,313	5,641,475	6,327,170	6,308,084
Federal Sources	75,000	131,720	85,135	105,899	85,000	85,000
Total Revenues Collected	7,319,142	7,740,396	7,348,506	7,318,609	7,771,370	7,752,180
Expenditures:						
Instruction	4,224,764	4,181,662	3,770,802	4,954,110	4,034,750	4,183,815
Supporting Services:						
Students	172,664	186,327	203,678	203,678	242,710	254,168
Instructional Staff	100	110,384	102,165	101,679	95,370	130,248
Central Administration	198,876	241,163	250,554	249,422	267,010	353,874
School Administration	516,642	578,173	595,057	594,037	592,940	616,401
Business	146,660	151,464	152,408	151,206	149,680	152,133
Operation & Maintenance of Facilities	956,935	1,101,430	1,059,180	1,046,871	935,010	850,390
Student Transportation	1,213,570	1,074,848	1,183,952	1,122,534	1,093,070	1,164,142
Food Services	-1,536					
Community Services		50,015	194,177	225,359	38,640	
Capital Outlay	69,051	6,000	58,393	25,081		
Reserves						
Debt Service:						
Principal Retirement						
Interest & Fiscal Charges						
Total Expenditures						
Excess (Deficiency) of Revenues over Expenditures	-178,584	58,930	-221,860	-1,355,368	322,190	47,009
Total Other Financing Sources (Uses)	-114,920	-149,401		13,123	322,190	47,009
Net change in Fund Balance	-293,504	-90,471	-221,860	-1,342,245	0.00	0.00
Fund Balance at July 1	105,238	431,408	-188,266	340,937	-410,126	-87,936
Fund Balance at June 30	-188,266	340,937	-410,126	-1,001,308	-87,936	-40,927

Source: Calhoun County Board of Education
*This includes $1,173,278.59 OPEB Liabilities for Fiscal Year 2010 (2009-2010 Actual)

Insurance Coverage*

1. Type	Amount in Force (FY 2010-11)
Fire, extended coverage/buildings & personal property	$38,035,633
Public official position bond:	
Superintendent	$ 10,000
Board President	$ 10,000
Treasurer	$ 250,000
Blanket Bond	$ 10,000
Fidelity Honesty Bond (all employees)	$ 3,000,000
Money & Securities (all employees)	$ 2,500,000
Deductible - $2,500 per occurrence	

Liability Insurance:

The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2010 to July 1, 2011. The Board is insured for the following coverages:

- Comprehensive general liability insurance
- Personal injury liability insurance
- Professional liability insurance
- Stop gap liability insurance
- Wrongful act liability insurance
- Comprehensive auto liability insurance
- Auto physical damage insurance, including comprehensive and collision
- Garagekeepers insurance.

2. Limits of Liability

EACH OCCURRENCE:

$1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS:

The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.00 for private passenger vehicles or $1,000 for other vehicle types including mobile equipment.

DEFENSE COSTS:

Defense costs are in addition to each occurrence limit of liability.

*Source: Calhoun County Board of Education

Teachers Retirement Systems*

Teachers Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2010, there are 35,670 active members and 30,127 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2010 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, 2010, the unfunded liability of TRS was $4.76077 billion. The funded percentage was 46.5%. 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, 2010, there were approximately 4,778 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 vote to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

*Source: West Virginia Consolidated Public Retirement Board

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2011 Bonds is excludable from gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), 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 Series 2011 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2011 Bonds. The Board has covenanted to comply with certain restrictions designed to ensure that interest on the Series 2011 Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2011 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2011 Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2011 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2011 Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Series 2011 Bonds. Prospective purchasers of the Series 2011 Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

The Board has designated the Series 2011 Bonds as "qualified tax-exempt obligations" and has covenanted that the Board, together with all subordinated entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligations of the Board to the extent the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2011. Therefore, the Series 2011 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Although Bond Counsel is of the opinion that interest on the Series 2011 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2011 Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2011 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2011 Bonds. Prospective purchasers of the Series 2011 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority and represents Bond Counsel's judgment as to the proper treatment of the Series 2011 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2011 Bonds ends with the issuance of the Series 2011 Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the Board or the beneficial owners regarding the tax-exempt status of the Series 2011 Bonds in the event of an audit examination by the IRS.

Under current procedures, parties other than the Board and its counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2011 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2011 Bonds, and may cause the Board or the beneficial owners to incur significant expense.

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 Series 2011 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 Series 2011 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.

On February 22, 2010, forth-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability for other post-employment benefits payable related to state aid eligible employees and to pay any future amounts billed by PEIA for state aid eligible employees. The Board does not expect the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Series 2011 Bonds.

At the time of payment for and delivery of the Series 2011 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 Series 2011 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 Series 2011 Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Series 2011 Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as Exhibit G, to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2011, and to provide notice of the occurrence of the enumerated events listed herein, if material. The Annual Information and each notice of material events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the Board with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Board has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2011 Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Prior to the issuance of the Series 2011 Bonds, the Board issued the Series 1996 Bonds in the amount of $3,370,000. At that time, the Board did not employ a dissemination agent. Although the Board previously provided certain financial information for the Series 1996 Bonds, it did not do so consistently and timely. It also did not remit such information to the correct entity. Accordingly, the Board will employ the services of United Bank, Inc., Charleston, West Virginia, to provide dissemination services in conjunction with its continuing disclosure obligations for the Series 2011 Bonds.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2011 Bonds are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Series 2011 Bonds. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board.

SALE AT COMPETITIVE BIDDING

The Series 2011 Bonds were offered by the Board at competitive bidding on July 7, 2011 in accordance with the Official Notice of Sale.

UNDERWRITING

Crews & Associates, Inc. (the Underwriter) has agreed to purchase the Series 2011 Bonds at an aggregate purchase price of $3,560,469.35 (includes premium of $469.35 and no accrued interest), pursuant to a proposal submitted on July 7, 2011 in connection with the Issuer's Official Notice of Sale of the Series 2011 Bonds, dated June 23, 2011. The Underwriter may offer and sell the Series 2011 Bonds to certain dealers (including dealers depositing such Series 2011 Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover page hereof. The public offering prices set forth on the cover page may be changed after the initial offering by the Underwriter.

RATING

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Series 2011 Bonds its rating of 'AA' based on the Board's eligibility and participation in West Virginia's Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Series 2011 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 Series 2011 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 Series 2011 Bonds.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $3,560,000 in aggregate principal amount of The Board of Education of the County of Calhoun Public School Bonds, Series 2011. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Calhoun by Raymond James & Associates, Inc. in its capacity as Financial Advisor.

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 Series 2011 Bonds.

THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

By: /s/ Steve Whited, President

This page left intentionally blank.

APPENDIX A

CALHOUN COUNTY, WEST VIRGINIA, BOARD OF EDUCATION

Financial Statements

June 30, 2010

CALHOUN COUNTY BOARD OF EDUCATION
Table of Contents
For the Fiscal Year Ended June 30, 2010

	Page
School Board Officials	1
Independent Auditors' Report	2
Basic Financial Statements:	
Statement of Net Assets	4
Statement of Activities	5
Balance Sheet – Governmental Funds	6
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities	9
Statement of Fiduciary Net Assets – Fiduciary Funds	10
Notes to the Basic Financial Statements	11
Required Supplemental Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – General Current Expense Fund	29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Special Revenue Fund	30
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Special Revenue (ARRA) Fund	31
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Debt Service Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Capital Projects Fund	33
Other Supplemental Information:	
Schedule of Changes in School Activity Funds	34

CALHOUN COUNTY BOARD OF EDUCATION
Table of Contents
For the Fiscal Year Ended June 30, 2010

Schedule of Expenditures of Federal Awards	35
Notes to the Schedule of Expenditures of Federal Awards	36
Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	37
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	39
Schedule of Findings and Questioned Costs	41
Schedule of Prior Audit Findings and Questioned Costs	43

CALHOUN COUNTY BOARD OF EDUCATION
School Board Officials
For the Fiscal Year Ended June 30, 2010

Office	Name	Term
	Elective	
School Board Members:	Cynthia Dale	07/01/2008 – 06/30/2012
	Lee Evans	07/01/2006 – 06/30/2010
	Joy Starcher	07/01/2008 – 06/30/2012
	Steve Whited	07/01/2006 – 06/30/2010
	Linda Harris	07/01/2008 – 06/30/2012
	Appointive	
School Board President	Cynthia Dale	07/01/2009 – 06/30/2010
Superintendent	Roger Propst	07/01/2009 – 06/30/2010
Treasurer	Patricia Riddle	07/01/2009 – 06/30/2010

The Fyffe Jones Group

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

INDEPENDENT AUDITORS' REPORT

Honorable Members of the
Calhoun County, West Virginia, Board of Education
Mt. Zion, West Virginia

We have audited the accompanying financial statements of the governmental activities and each major fund of the Calhoun County, West Virginia, Board of Education, as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Calhoun County, West Virginia, Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Calhoun County, West Virginia, Board of Education as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2011, on our consideration of the Calhoun County, West Virginia, Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

E-MAIL info@fja-cpas.com FAX lines: Ashland: 606-324-2823; Huntington: 304-525-4230; Portsmouth: 740-353-6724

The Board has not presented the management's discussion and analysis that the Government Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calhoun County, West Virginia, Board of Education's basic financial statements. The Schedule of Changes in School Activity Funds is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements of the Calhoun County, West Virginia, Board of Education. The schedule of changes in school activity funds and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

THE FYFFE JONES GROUP
CERTIFIED PUBLIC ACCOUNTANTS

February 23, 2011

CALHOUN COUNTY BOARD OF EDUCATION

Statement of Net Assets

June 30, 2010

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	283,142
Investments		395,327
Taxes receivable, net of allowance for uncollectible taxes		13,549
Food services receivable		11,013
Other receivables		87,486
Due from other governments:		
Reimbursements receivable		1,519,710
Due from other funds		820,986
Capital Assets:		
Land		599,725
Buildings and improvements		19,293,525
Furniture and equipment		1,633,080
Vehicles		1,705,976
Construction in process		2,052,822
Less accumulated depreciation		(7,429,765)
Total capital assets, net of depreciation		17,855,362
Total Assets		20,986,574
LIABILITIES AND NET ASSETS		
Liabilities:		
Salaries payable and related payroll liabilities		701,812
PEIA premiums payable		23,226
Compensated absences		72,853
Accounts payable		31,017
Due to other funds		820,986
Due to other fiscal agents		193,428
Other post employment benefit payable - state aid funded employees		1,173,279
Long-term obligations:		
Due within one year:		
Bonds, capital leases, and contracts		325,000
Accrued interest		8,083
Due beyond one year:		
Bonds, capital leases, and contracts		345,000
Total Liabilities		3,694,684
Net Assets:		
Invested in capital assets, net of related debt		17,185,362
Restricted for:		
Debt service		387,244
Special projects		124,753
Unrestricted		(405,469)
Total Net Assets	$	17,291,890

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue and Changes in Net Assets Governmental Activities
Governmental activities:					
Instruction	$ 7,344,278	$ 72,775	$ 2,447,687	$ 1,906,779	$ (2,917,037)
Supporting services:					
Students	295,202	-	1,137	-	(294,065)
Instructional staff	363,781	-	249,814	-	(113,967)
District administration	383,788	-	26,378	-	(357,410)
School administration	541,161	-	-	-	(541,161)
Business services	159,983	-	-	-	(159,983)
Operation and maintenance of facilities	1,185,058	-	-	-	(1,185,058)
Student transportation	1,334,860	-	114,182	-	(1,220,678)
Food services	647,738	-	645,619	-	(2,119)
Community services	230,057	-	-	-	(230,057)
Interest on long-term debt	49,406	-	-	-	(49,406)
Total governmental activities	$ 12,535,312	$ 72,775	$ 3,484,817	$ 1,906,779	(7,070,941)
General revenues:					
Property taxes					1,500,404
Unrestricted state aid					5,505,798
Unrestricted investment earnings					891
Unrestricted grants and contributions					1,005,319
Transfers in					13,123
Transfers (out)					(13,123)
Total general revenues and transfers					8,012,412
Change in net assets					941,471
Net assets - beginning					16,350,419
Net assets - ending					$ 17,291,890

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION

Balance Sheet - Governmental Funds

June 30, 2010

	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 283,142	$ -	$ -	$ -	$ -	$ 283,142
Investments	-	-	-	395,327	-	395,327
Taxes receivable, net	13,549	-	-	-	-	13,549
Food service receivable, net	-	11,013	-	-	-	11,013
Other receivables	87,486	-	-	-	-	87,486
Due from other governments:						
Reimbursements receivable	-	784,528	117,064	-	618,119	1,519,710
Due from other funds	711,400	109,586	-	-	-	820,986
Total Assets	$ 1,095,576	$ 905,126	$ 117,064	$ 395,327	$ 618,119	$ 3,131,212
LIABILITIES AND FUND BALANCES						
Liabilities:						
Salaries payable and related payroll liabilities	571,365	106,663	23,783	-	-	701,812
Other post employment benefits payable	1,173,279	-	-	-	-	1,173,279
PEIA premiums payable	18,208	5,018	-	-	-	23,226
Accounts payable	31,017	-	-	-	-	31,017
Deferred revenue	-	668,692	-	-	-	668,692
Due to other funds	109,586	-	93,281	-	618,119	820,986
Due to other fiscal agents	193,428	-	-	-	-	193,428
Total Liabilities	2,096,884	780,374	117,064	-	618,119	3,612,440
Fund Balances:						
Reserved for:						
Encumbrances	20,686	165,441	8,538	-	80,527	275,192
Debt service	-	-	-	395,327	-	395,327
Unreserved:						
Designated	99,858	(40,688)	(8,538)	-	(80,527)	(29,895)
Undesignated	(1,121,852)	-	-	-	80,527	(1,041,326)
Total Fund Balances	(1,001,308)	124,753	-	395,327	-	(481,228)
TOTAL LIABILITIES AND FUND BALANCES	$ 1,095,576	$ 905,126	$ 117,064	$ 395,327	$ 618,119	$ 3,131,212

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets

June 30, 2010

Total fund balances on the governmental fund's balance sheet	$	(481,228)
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 (See Note 7)		17,855,362
Deferred revenue are not reported in the funds		668,692
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds (See Note 8)		
Bonds payable, due within one year		(325,000)
Bonds payable, due beyond one year		(345,000)
Accrued interest on bonds		(8,083)
Compensated absences		(72,853)
Net assets of governmental activities	$	17,291,890

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION

Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Fiscal Year Ended June 30, 2010

	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:						
Property taxes	$ 1,500,404	$ -	$ -	$ -	$ -	$ 1,500,404
Other Local sources	70,831	238,252	-	352,059	-	661,142
State sources	5,641,475	885,657	-	-	1,713,458	8,240,589
Federal sources	105,899	1,451,388	666,382	-	-	2,223,669
Miscellaneous sources	-	182,286	-	-	-	182,286
Total Revenues	7,318,609	2,757,583	666,382	352,059	1,713,458	12,808,091
Expenditures:						
Instruction	4,954,110	1,306,110	605,682	-	-	6,865,902
Supporting services:						
Students	203,678	88,955	2,569	-	-	295,202
Instructional staff	101,679	249,076	4,262	-	-	355,017
Central administration	249,422	127,649	-	-	-	377,071
School administration	594,037	1,200	-	-	-	595,237
Business	151,206	14,803	-	-	-	166,009
Operation and maintenance of facilities	1,046,871	96,533	29,490	-	-	1,172,894
Student transportation	1,122,534	119,543	7,000	-	-	1,249,077
Food services	-	628,263	16,050	-	-	644,313
Community services	225,359	4,698	-	-	-	230,057
Capital outlay	25,081	-	-	-	1,397,500	1,422,581
Debt service:						
Principal retirement	-	-	-	300,000	-	300,000
Interest and fiscal charges	-	-	-	49,406	-	49,406
Total Expenditures	8,673,977	2,636,830	665,054	349,406	1,397,500	13,722,766
Excess (deficiency) of revenues over expenditures	(1,355,368)	120,754	1,328	2,653	315,958	(914,675)
Other financing sources (uses):						
Transfers in	13,123	-	-	-	-	13,123
Transfers (out)	-	(11,795)	(1,328)	-	-	(13,123)
Total other financing sources (uses)	13,123	(11,795)	(1,328)	-	-	-
Net change in fund balances	(1,342,245)	108,959	-	2,653	315,958	(914,675)
Fund balances - beginning	340,937	15,794	-	392,674	(315,958)	433,447
Fund balances - ending	$ (1,001,308)	$ 124,753	$ -	$ 395,327	$ -	$ (481,228)

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
June 30, 2010

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

Net change in fund balances - total governmental funds	$ (914,675)
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	(583,278)
Capital outlays	1,422,581
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.	668,692
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.	300,000
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 decreased.	48,152
Change in net assets of governmental activities	$ 941,471

See Notes to the Basic Financial Statements.

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Net Assets - Fiduciary Funds
June 30, 2010

	Agency Funds School Activity Funds
ASSETS	
Cash and cash equivalents	$ 242,272
Total Assets	$ 242,272
LIABILITIES	
Due to other funds	$ 242,272
Total Liabilities	$ 242,272

See Notes to the Basic Financial Statements.

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 Calhoun 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.

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.

Note 1 - Summary of Significant Accounting Policies: (Cont.)

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 purposes.

Special Revenue Fund – Ameriean Reinvestment and Recovery Aet (ARRA): A separate special revenue fund to account for all revenues and expenditures attributable to ARRA funds that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects, and; one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: School activity funds to account for the assets of the individual schools of the 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.

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,

Note 1 - Summary of Significant Accounting Policies: (Cont.)

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.

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, 2010 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.

The Board had no fixed-term investments at June 30, 2010.

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the board's

Note 1 - Summary of Significant Accounting Policies: (Cont.)

name. Custodian credit risk is the risk that in event of a bank failure, the Board's deposits may not be returned to it. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short term investments that are less affected by changes in market rates as compared to long term investments.

At June 30, 2010, the Board has $395,327 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2010, the Pool did not have investments in any one private corporation or association that represented more than 5% of assets.

F. 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.

G. Inventories

Inventories are valued at cost or, if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Note 1 - Summary of Significant Accounting Policies: (Cont.)

The Board no food service inventory at June 30, 2010.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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:

Assets	Years
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 ten (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.

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

Note 1 - Summary of Significant Accounting Policies: (Cout.)

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, 2010.

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.

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 but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State 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.

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, 2010:

Fund	Amount
General Current Expense Fund	$ (1,001,308)

There are no additional funding sources for the excess in the General Current Expense Fund due to the OPEB liability being recording.

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2010, expenditures exceeded appropriations in the fund listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

General Current Expense Fund:

Function	Amount
Instruction	$ (1,183,308)
Community Services	(31,182)

Note 2 - Stewardship, Compliance and Accountability: (Cont.)

The overexpenditures in these programs is due to the recording of the OPEB expenditures which were unbudgeted due to unresolved court proceedings to determine ownership of the liability.

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 16 – For the fiscal year ended June 30, 2008, the Board included in compensated absences an estimate amount for the accrued personal leave using the guidance provided in GASB Statement 16. However, subsequent to the end of the year, the State Auditor has determined that accrued personal leave should not be considered a termination benefit, therefore the liability associated with accrued personal leave is not included as compensated absences for the fiscal year ended June 30, 2010. The liability associated with accrued personal leave is now included as a part of other post employment benefits under the reporting requirements of GASB 45.

GASB 45 – the Board implemented GASB Statement 45 reporting requirements *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2010. In addition to pensions, many state and local governmental employers provide *other postemployment benefits* (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes postemployment healthcare, as well as other forms of standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

As a cost-sharing employer, the Board is required to recognize OPEB expenditures for the *contractually required contributions* to the plan on the modified accrual basis. Therefore, the unpaid OPEB at June 30 will be reported on the Balance Sheet as "Other postemployment benefit payable".

In the prior years, an estimate of the accrued sick leave liability was recorded using guidance from GASB 16. An adjustment was made to beginning net assets in 2008 to remove that balance from the entity-wide Statement of Net Assets.

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 Iusurance 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

Note 4 - Risk Management: (Cont.)

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 Fnnd (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, 2010. 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.

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.

Note 5 - Property Taxes: (Cont.)

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, 2010, were:

Class of Property		Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$	-	19.40¢	.53¢	4.58¢
Class II	$	70,185,971	38.80¢	1.06¢	9.16¢
Class III	$	145,904,990	77.60¢	2.12¢	18.32¢
Class IV	$	9,312,806	77.60¢	2.12¢	18.32¢

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 had an excess levy in effect during the fiscal year ended June 30, 2010. The levy was authorized by the voters of the county at an election held on November 6, 2006, for the fiscal years ended June 30, 2007, through June 30, 2011, to provide funds for the additional facilities at Calhoun Middle/High School.

A total of $ 352,059 was received by the Board from the excess levy during the fiscal year ended June 30, 2010.

Note 7 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2010, is as follows:

	Balance, Beginning of Year	Additions	Retirements	Balance, End of Year
Governmental activities:				
Land	$ 599,725	$ -	$ -	$ 599,725
Buildings	19,293,525		-	19,293,525
Furniture and equipment	1,617,030	16,050	-	1,633,080
Vehicles	1,622,789	83,187	-	1,705,976
Construction in process	30,241	1,422,581	-	1,452,822
Total	$ 23,163,310	$ 1,521,818	$ -	$ 24,685,128
Less accumulated depreciation				
Buildings	$(5,076,015)	$ (398,454)	$ -	$ (5,474,469)
Furniture and equipment	(877,067)	(91,974)	-	(969,041)
Vehicles	(893,405)	(92,850)	-	(986,255)
Total	$(6,846,487)	(583,278)	-	(7,429,765)
Capital Assets, net	$16,316,823	$ 938,540	$ -	$ 17,255,363

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

Instruction	$ 478,376
Supporting Services:	
Central administration	11,477
Operation and maintenance of facilities	4,218
Transportation	85,782
Food services	3,425
Total Depreciation expense - governmental activities	$ 583,278

Note 7 - Capital Assets: (Cont.)

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

Instruction	$ 478,376
Supporting Services:	
Central administration	11,477
Operation and maintenance of facilities	4,218
Transportation	85,782
Food services	3,425
Total Depreciation expense – governmental activities	$ 583,278

The amount at which fixed assets are recorded has decreased from the prior year, primarily as the result of a change in accounting policy. Fixed assets at June 30, 2010, are recorded at historical cost or estimated historical cost where actual historical cost information was not available. In prior years, fixed assets were recorded at appraised value for insurance purposes or other reasonable approximation of current value.

Note 8 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2010, is as follows:

General Obligation Bonds – General obligation bonds payable at June 30, 2010, with their outstanding balance are comprised of the following individual issues:

Long-term Debt	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
General obligation debt	$ 970,000	$ -	$ 300,000	$ 670,000	$ 325,000	$ 345,000
Compensated absences	121,005	-	48,152	72,853	72,853	-
Long-term liabilities	$ 1,091,005	$ -	$ 348,152	$ 742,853	$ 397,853	$ 345,000

Bond Issue of 1996:

On September 6, 1996, the Board issued $3,370,000 in general obligation bonds to provide funds for the purpose of upgrading the heating and air conditioning system at one elementary school; adding additional classrooms at another elementary school; and construction of an athletic stadium, upgrading the heating and air conditioning system, adding an auxiliary gymnasium, purchasing technology equipment, and expanding the auditorium at the new Calhoun Middle/High School. The bonds mature in varying annual increments through May 1, 2012, and interest is payable semiannually at rates that vary from 4.625% to 6.625%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

Note 8 - Long-term Debt: (Cont.)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010, including interest payments are listed as follows:

Year	Principal	Interest	Total
2011	$ 325,000	$ 33,500	$ 358,500
2012	345,000	17,250	362,250
Total	$ 670,000	$ 50,750	720,750

Total bonded indebtedness at July 1, 2009	$ 970,000
Issuances	-
Maturities	300,000
Total bonded indebtedness at June 30, 2010	$ 670,000

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 non-cancelable 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, 2010, were $ 12,279.

The following is a summary of the future minimum required payments by year under operating leases as of June 30, 2010:

Total minimum lease payment at June 30, 2010, was $ 13,116.

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, 2010, the Board's total payroll for all employees was $ 6,116,685 and the payroll was $ 5,662,404 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

Note 10 - Employee Retirement System: (Cont.)

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. 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 2009 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $ 5.1 billion as of July 1, 2009.

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

Note 10 - Employee Retirement System: (Cont.)

a total of 13.5% annually.

The employers' contributions are derived from the 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, 2008 and the two previous years were:

Year ended June 30	2008	2009	2010
Required contributions	$ 345,412,000	$ 404,547,000	$487,886,000
As a % of current year covered payroll	23.30 %	25.89 %	29.57%

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2010 were:

Employees' contributions (6%)	$ 319,169
Employer's contributions (15% or 7.5%)	541,923
Total contributions	$ 861,092

Teachers' Defined Contribution Retirement System:

Plan Description: All Board employees hired after July 1, 1991 but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the 2008-09 fiscal year. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: 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.

Note 10 - Employee Retirement System: (Cont.)

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, 2009, this plan had approximately $222 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 FY10 were:

Employees' contributions (4.5%)	$ 15,432
Employer's contributions (7.5%)	25,721
Total contributions	$ 41,153

Note 11 - Pending Litigation:

The Board is involved in a number of legal proceedings and claims, involving students, employees and citizens who have sued the Board for damages. While it is not possible to determine the ultimate outcome of any lawsuit with certainty, management believes that the ultimate outcome will not have a material adverse effect on the financial position of the Board. The Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

Note 12 - Interfund Balances and Transfers:

Interfund Transfers

The General Current Expense Fund transferred $50,000 to the Capital Projects Fund to fund future major capital improvements and heating/cooling replacements and $28,132 from the Special Revenue Fund and $4,038 From ARRA Special Revenue Fund to the General Current Expense Fund for indirect cost charges. Capital Projects Fund transferred $35,957 to ARRA Special Revenue Fund for the local match to the ARRA SBA funded roof replacement project at the high school.

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, 2010, to be expended for the following purposes:

Purpose		Amount
New Board Office	$	13,744
Medicaid Reserved for Contingent Audit Refund		105,238
Dual Credit Courses		(19,124)
Total Unreserved Fund Balance – Designated	$	99,858

Note 14 – Post Employment Benefits Other Than Pension:

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2010 was determined to be:

Total Annual Required Contribution	$ 791,943,000	$ 10,811
Pay as you go – Retiree Subsidy	(122,799,496)	(1,676)
Remaining ARC	$ 669,143,504	$ 9,135

Note 15 - Commitments, Contingencies and Subsequent Events:

During the fiscal year ended June 30, 2010, the Board began pursuing legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing other postemployment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the a portion of the liability, "other postemployment benefits payable", for any state aid eligible employee on the accompanying financial statement and to pay any future amounts billed by PEIA for state aid eligible employees.

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.

Note 17 – Subsequent Events:

Management has evaluated all subsequent events as of February 23, 2011, and deems all disclosures herein proper.

CALHOUN COUNTY BOARD OF EDUCATION

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Current Expense Fund

For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Property taxes	$ 1,392,050	$ 1,487,039	$ 1,500,404	$ 13,365
Other Local sources	44,740	67,019	70,831	3,812
State sources	5,903,540	5,687,313	5,641,475	(45,839)
Federal sources	85,000	85,135	105,899	20,764
Miscellaneous sources	22,000	22,000	-	(22,000)
Total Revenues	7,447,330	7,348,506	7,318,609	(29,897)
Expenditures:				
Instruction	4,060,840	3,770,802	4,954,110	(1,183,308)
Supporting services:				
Students	186,380	203,678	203,678	-
Instructional staff	53,200	102,165	101,679	486
Central administration	254,140	250,554	249,422	1,132
School administration	576,210	595,057	594,037	1,020
Business	146,020	152,408	151,206	1,202
Operation and maintenance of facilities	926,910	1,059,180	1,046,871	12,309
Student transportation	1,091,720	1,183,952	1,122,534	61,418
Community services	304,160	194,177	225,359	(31,182)
Capital outlay	-	58,393	25,081	33,312
Total Expenditures	7,599,580	7,570,366	8,673,977	(1,103,611)
Excess (deficiency) of revenues over expenditures	(152,250)	(221,860)	(1,355,368)	(1,133,508)
Other financing sources (uses):				
Transfers in	-	-	13,123	13,123
Total other financing sources (uses)	-	-	13,123	13,123
Change in fund balances	(152,250)	(221,860)	(1,342,245)	(1,120,385)
Fund balances - beginning	-	-	340,937	340,937
Fund balances - ending	$ (152,250)	$ (221,860)	$ (1,001,308)	$ (779,448)

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Local sources	$ 76,510	$ 482,836	$ 238,252	$ (244,584)
State sources	471,341	1,078,724	885,657	(193,067)
Federal sources	1,375,200	2,116,623	1,451,388	(665,235)
Miscellaneous sources	196,570	196,570	182,286	(14,284)
Total Revenues	2,119,621	3,874,753	2,757,583	(1,117,170)
Expenditures:				
Instruction	435,210	1,765,009	1,306,110	458,899
Supporting services:				
Students	-	162,127	88,955	73,172
Instructional staff	77,530	398,578	249,076	149,502
Central administration	170,610	137,677	127,649	10,028
School administration	-	1,200	1,200	-
Business	-	3,715	14,803	(11,088)
Operation and maintenance of facilities	-	301,675	96,533	205,142
Student transportation	111,940	186,589	119,543	67,046
Food services	648,170	762,851	628,263	134,588
Community services	-	4,736	4,698	38
Reserved	472,260	61,366	-	61,366
Capital outlay	-	-	-	-
Total Expenditures	1,915,720	3,785,523	2,636,830	1,148,693
Excess (deficiency) of revenues over expenditures	203,901	89,230	120,754	31,524
Other financing sources (uses):				
Transfers (out)	-	-	(11,795)	(11,795)
Total other financing sources (uses)	-	-	(11,795)	(11,795)
Change in fund balances	203,901	89,230	108,959	19,729
Fund balances - beginning	-	-	15,794	15,794
Fund balances - ending	$ 203,901	$ 89,230	$ 124,753	$ 35,523

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue (ARRA) Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Federal sources	$ -	$ 1,042,995	$ 666,382	$ (376,613)
Total Revenues	-	1,042,995	666,382	(376,613)
Expenditures:				
Instruction	-	832,984	605,682	227,302
Supporting services:				
Students	-	3,153	2,569	584
Instructional staff	-	9,533	4,262	5,271
Operation and maintenance of facilities	-	33,691	29,490	4,201
Student transportation	-	7,000	7,000	-
Food services	-	16,050	16,050	-
Reserved	-	140,584	-	140,584
Total Expenditures	-	1,042,995	665,054	377,941
Excess (deficiency) of revenues over expenditures	-	-	1,328	1,328
Other financing sources (uses):				
Transfers (out)	-	-	(1,328)	(1,328)
Total other financing sources (uses)	-	-	(1,328)	(1,328)
Change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Other local sources	$ 348,500	$ 348,500	$ 352,059	$ 3,559
Total Revenues	348,500	348,500	352,059	3,559
Expenditures:				
Debt service:				
Principal retirement	300,000	300,000	300,000	-
Interest and fiscal charges	48,500	48,500	49,406	(906)
Total Expenditures	348,500	348,500	349,406	(906)
Excess (deficiency) of revenues over expenditures	-	-	2,653	2,653
Other financing sources (uses):				
Change in fund balances	-	-	2,653	2,653
Fund balances - beginning	-	-	392,674	392,674
Fund balances - ending	$ -	$ -	$ 395,327	$ 395,327

CALHOUN COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
State sources	$ -	$ 3,066,531	$ 1,713,458	$ (1,353,073)
Total Revenues	-	3,066,531	1,713,458	(1,353,073)
Expenditures:				
Capital outlay	-	2,750,573	1,397,500	1,353,073
Total Expenditures	-	2,750,573	1,397,500	1,353,073
Excess (deficiency) of revenues over expenditures	-	315,958	315,958	-
Other financing sources (uses):				
Change in fund balances	-	315,958	315,958	-
Fund balance - beginning	-	-	(315,958)	(315,958)
Fund balance - ending	$ -	$ 315,958	$ -	$ (315,958)

CALHOUN COUNTY BOARD OF EDUCATION
Schedule of Changes in School Activity Funds
For the Fiscal Year Ended June 30, 2010

	Cash Balance 7/1/2009	Revenues Received	Expenditures Paid	Cash Balance 6/30/2010
Arnoldsburg Elementary General Fund	$ 48,610	$ 54,297	$ 47,593	$ 55,314
Pleasant Hill Elementary General Fund	20,252	40,671	39,797	21,126
Calhoun Middle/High General Fund	182,208	285,312	302,225	165,295
Calhoun Middle/High Child Nutrition Fund	8,159	35,035	42,657	537
Total	$ 259,229	$ 415,315	$ 432,272	$ 242,272

CALHOUN COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
For The Fiscal Year Ended June 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures Paid
U.S. Department of Agriculture			
Pass Through West Virginia Department of Education			
Child Nutrition Cluster:			
National School Breakfast and Lunch Program	10.553/10.555	88	$ 390,441
Donated Foods (Non-cash)		88	29,115
Child Nutrition ARRA	10.579	88	16,050
Total U.S. Department of Agriculture			435,606
U.S. Department of Education			
Pass Through the West Virginia Office of the Governor			
State Fiscal Stabilization ARRA Grant	84.394	52	354,832
U.S. Department of Education			
Pass Through West Virginia Department of Education			
Adult Basic Education (CGCC)	84.002	61	13,278
Title I Grants to Local Educational Agencies	84.010	41	500,271
Title I - ARRA	84.389A	41	111,619
Vocational Education Basic Grants to States	84.048	50	26,697
Special Education Cluster:			
Special Education Grants to States	84.027	43	385,883
Special Education - ARRA Grant	84.391A	43	163,238
Gear Up Program	84.334	90	49,273
Title VI Rural Education	84.358	59	24,027
Title II Improving Teacher Quality	84.367	40	222,698
Total U.S. Department of Education			1,496,984
Total Federal Financial Assistance Expended			$ 2,287,422

See Notes to the Schedule of Expenditures of Federal Awards.

CALHOUN COUNTY BOARD OF EDUCATION
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Calhoun County, West Virginia, Board of Education and is presented on a basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Food Distribution:

The Calhoun County, West Virginia, Board of Education's non-cash assistance received from the U.S. Department of Agriculture Donated Foods Program of $29,115 is included in the Schedule of Expenditures of Federal Awards based upon the fair market value of the commodities at the time of receipt and reflects the amount distributed for the year ended June 30, 2010.

The Fyffe Jones Group

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the
Calhoun County, West Virginia, Board of Education
Mt. Zion, West Virginia

We have audited the financial statements of the governmental activities and each major fund of the Calhoun County, West Virginia, Board of Education as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated February 23, 2011. 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 the Calhoun County, West Virginia, Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calhoun County, West Virginia, Board of Education'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 a combination of control deficiencies, that adversely affects the School 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 School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control.

E-MAIL info@fja-cpas.com FAX lines: Ashland: 606-324-2823; Huntington: 304-525-4230; Portsmouth: 740-353-6724

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School 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 the Calhoun County, West Virginia, 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 for the information and use of management, the officials of the board of Education, management, and the Office of the State Auditor, Chief Inspector Division, and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

The Fyffe Jones Group

THE FYFFE JONES GROUP
CERTIFIED PUBLIC ACCOUNTANTS

February 23, 2011

The Fyffe Jones Group

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

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

Honorable Members of the
Calhoun County, West Virginia, Board of Education
Mt. Zion, West Virginia

Compliance

We have audited the compliance of the Calhoun County, West Virginia, 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, 2010. The Calhoun County, West Virginia, Board of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the Calhoun County, West Virginia, 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 Nonprofit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Calhoun County, West Virginia, Board of Education's compliance with those requirements.

In our opinion, the Calhoun County, West Virginia, 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, 2010.

E-MAIL info@fja-cpas.com FAX lines: Ashland: 606-324-2823; Huntington: 304-525-4230; Portsmouth: 740-353-6724

Internal Control Over Compliance

The management of the Calhoun County, West Virginia, Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board'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 Calhoun County, West Virginia, 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 a 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 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 and use of management, the officials of the Board of Education, the Office of the State Auditor, Chief Inspector Division, and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

THE FYFFE JONES GROUP
CERTIFIED PUBLIC ACCOUNTANTS

February 23, 2011

CALHOUN COUNTY BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:
Material weakness(es) identified? No
Significant deficiencies identified that are not considered to be material weakness(es)? None
Noncompliance material to financial statements? No

Federal Awards

Internal control over major programs
Material weakness(es) identified? No
Significant deficiencies identified that are not considered to be material weakness(es)? None
Type of auditor's report issued on compliance for major programs: Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510 (a)? No

Programs tested:

CFDA Number(s)	Name of Federal Program/Cluster
84.010/84.389A	Title I
10.553/10.555/ 10.579/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B Programs: $300,000

Auditee qualified as a low-risk auditee: Yes

Section II – Financial Statement Findings

Finding #10-01

Condition:

The Calhoun County Board of Education did not have adequate internal control procedures to assure compliance with state regulations for individual schools.

Section II – Financial Statement Findings (Cont.)

Condition:

Specifically, we reviewed Calhoun Middle/High School and the following matters were noted:

Invoices were processed without purchase orders

Profit and loss reports were not conducted for fund raisers

Criteria:

The *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education, states, in part, that:

"1-18. Purchase Orders: A purchase order system is to be maintained at each school whereby all purchases of materials, equipment, supplies and services are made through pre-numbers purchase orders approved in writing by the principal or designee before the purchase is made."

"5-7. Fund Raisers: A profit and loss statement should be prepared for each fund raising activity conducted by a school support organization that shows gross proceeds, costs of goods sold and net proceeds."

Cause:

The Board does not have adequate controls to assure that proper procedures are followed for each individual school and that all individual schools meet the requirements set forth in the *Accounting Procedures Manual for the Public Schools in the State of West Virginia.*

Effect:

These noncompliances increase the risk that errors and/or irregularities will not be detected in a timely manner. Without periodic review of internal control procedures, the Board will not be aware of internal control weaknesses or errors in a time frame to permit that appropriate actions be taken promptly. In addition, without adequate approval and reporting related to fund raising activities, the Board cannot assure that all fund raising proceeds were expended in accordance with the intended purpose of the fund raising activities.

Views of Responsible Officials:

The Calhoun County Board of Education will work to correct the internal control procedures in place at the individual school level to meet requirements in the *Accounting Procedures Manual for the Public Schools in the State of West Virginia.*

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

CALHOUN COUNTY BOARD OF EDUCATION
Schedule of Prior Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Finding #09-01

Expenditures in Excess of Amounts Allocated in the Budget

The audit finding was corrected.

Finding #09-02

Internal Controls (Individual Schools)

The audit finding was repeated, see Finding #10-01.

APPENDIX B

ECONOMIC AND DEMOGRAPHIC DATA
COUNTY OF CALHOUN (WEST VIRGINIA)

Introduction

Location: Calhoun County is located in the central part of the State of West Virginia. It is approximately 76 miles from the City of Charleston, West Virginia, 184 miles from Pittsburgh, Pennsylvania, 186 miles from Columbus, Ohio, and 226 miles from Cleveland Ohio.

County Seat: Town of Grantsville

The County: The County is governed by, and generally acts through, The County Commission of Calhoun County. The Commissioners of the County Commission are elected on a countywide basis. The County has the power, pursuant to Article 1 of Chapter 7 of the Code of West Virginia of 1931, as amended, to create and establish the Commission.

Commissioners
Robert Weaver, President
Scottie V. Westfall II
Kevin Helmick

Population

Year	Calhoun County	West Virginia	United States
2000	7,582	1,806,962	282,171,957
2010	7,627	1,852,994	308,745,538

Source: U.S. Bureau of Economic Analysis

Economy (March 2010)

The ten (10) largest employers for the year 2010 in the County are:

1. Minnie Hamilton Healthcare Center, Inc
2. Calhoun County Board of Education
3. R.P.R. Industries, Inc.
4. Calhoun County Committee on Aging, Inc.
5. Ronald Lane, Inc.
6. Dominion Transmission Corporation
7. Facemire Foods, Inc.
8. Calhoun County Bank, Inc.
9. Key Energy Services, LLC
10. West Virginia Department of Highways

Source: WORKFORCE West Virginia

Per Capita Personal Income

County	2000	2009	2009 Rank in State
United States	$30,318	$39,635	---
West Virginia	$22,174	$32,080	---
Calhoun County	$15,946	$23,414	52

Source: U.S. Bureau of Economic Analysis

Average Annual Unemployment Rates (%)

Year	Calhoun County	West Virginia
2007	6.5	4.2
2008	6.6	4.3
2009	12.8	7.9
2010	14.6	9.1

Source: WORKFORCE West Virginia – Based on civilian labor force

Average Employment by Industry

Industry	2007	2008	2009	2010
Natural Resources & Mining	225	205	174	144
Construction	118	135	110	155
Manufacturing	-----	52	32	30
Trade, Transportation & Utilities	207	210	213	202
Financial Activities	-----	-----	52	53
Professional & Business Services	26	56	57	57
Education & Health Services	301	315	328	348
Leisure and Hospitality	48	46	44	41
Other Services	30	28	29	30
Government	337	335	336	336
TOTAL	1,292	1,382	1,375	1,396

Source: WORKFORCE West Virginia

Average Employment and Average Weekly Wage

	Average Employment		Average Weekly Wage	
	2007	2010	2007	2010
Calhoun County	1,399	1,396	$541.96	$598.04
West Virginia	708,313	692,305	$653.87	$725.04

Source: WORKFORCE West Virginia

Wages Per Industry (2010) ($)

Industry	Total Wages	Average Weekly Wage
Natural Resources & Mining	$5,205,404	$656.38
Construction	$7,115,078	$788.69
Manufacturing	$638,424	$409.25
Trade, Transportation & Utilities	$5,849,243	$520.04
Financial Activities	$1,402,824	$475.81
Professional & Business Services	$1,087,437	$335.48
Education & Health Services	$10,787,629	$614.67
Leisure and Hospitality	$370,841	$190.58
Other Services	$383,536	$232.67
Government	$10,637,650	$598.65
TOTAL	**$43,478,066**	**$598.74**

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Calhoun County	West Virginia
2007	$39,426,292	$24,083,126,318
2008	$43,066,773	$25,534,204,980
2009	$41,103,760	$25,528,702,813
2010	$43,478,066	$26,100,974,332

Source: WORKFORCE West Virginia

Community Data

Education Facilities	
Elementary	2
Middle or Jr. High	0
High Schools	1
Vocational Schools	1
Colleges (within 50 miles):	1
Glenville State College	

Recreational Facilities	
State Forests	0
Public Parks	5
State Parks	0
Wildlife Management Areas	1
Public Hiking Trails (miles)	3.5
Public Fishing & Boating Lakes	0
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	0
Pro/Semi-pro Sports Teams	0
Regional Shopping Centers/Malls/ outlets within 25 miles	1
Major Private Recreation/Resort Areas	0
Civic/Convention Centers	0
Medical	
Hospitals	1
Beds	43
Doctors	10
Dentists	1
Licensed Nursing Homes	1
Beds	24

Transportation	
Highways:	
Interstates	None
US Routes	33, 119
WV Routes	5, 16
Motor freight carriers	1
Rivers, nearest navigable	2
Little Kanawha and Ohio	
Industrial Parks	0
Industrial Sites	0
Airports:	3
General Aviation – Braxton County	
Commercial Service – Mid Ohio Regional	
International – Columbus International	
Railroads:	0
Motor Freight Carriers	1
Bus Service (local and interstate)	1/0
Utilities	
Telephone Service:	1
Natural Gas:	4
	(Private/Municipal/PSD)
Electricity:	1/0/0
Sewer:	0/1/1
Water	0/1/2
Other Data	
Licensed Day Care Centers	3
Banks (including branches)	3
Savings & Loans (including branches)	0
Libraries	1

Sources: West Virginia, Bureau of Employment Programs, Research, Information and Analysis, except as otherwise note.

APPENDIX C

FORM OF LEGAL OPINION

July 21, 2011

The Board of Education of the County of Calhoun
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151

Crews & Associates, Inc.
First Security Center
521 President Clinton Avenue, Suite 800
Little Rock, AR 72201

Re: $3,560,000 The Board of Education of Calhoun County (West Virginia), Public School Bonds, Series 2011

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of $3,560,000 Public School Bonds, Series 2011 (the "Bonds"), of Calhoun County School District, by and through The Board of Education of the County of Calhoun (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated July 21, 2011, 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, and mature on June 1 in years and amounts and bear interest payable each June 1 and December 1, commencing December 1, 2011, at the rates set forth in the Official Statement of the Issuer, dated July 7, 2011.

The Bonds were authorized at a special election held in Calhoun County School District on March 4, 2011, and by a Resolution and Order adopted by the Issuer (the "Resolution") on April 11, 2011, 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 thereto, in the Calhoun County School District, and paying costs of issuance of the Bonds and related costs.

As to questions of fact material to our opinion, we have relied upon the representations, covenants, certifications and opinions of the Issuer and its counsel 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 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 the power and is obligated to levy ad valorem taxes upon all the taxable property within the Calhoun 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 (including any original issue discount properly allocable to an owner thereof) 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. 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, the Tax Certificate and the certified proceedings and other certifications 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 th¬e date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. To the extent the Bonds are not deemed designated as qualified tax-exempt obligations pursuant to the provisions of Section 265(b)(3)(D)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than Ten Million Dollars ($10,000,000) of tax-exempt obligations during the calendar year 2011. Subject to compliance by the Issuer with certain covenants and based upon certain representations made by the Issuer, Bond Counsel is of the opinion that the Bonds are qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

5. Under the Act, the Bonds are exempt from direct taxation by the State of West Virginia or any political subdivision thereof.

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.

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.

Respectfully submitted,

GOODWIN & GOODWIN, LLP

PROPOSED PROJECTS

CALHOUN COUNTY BOARD OF EDUCATION

Calhoun County Middle/High School		
Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School		
Construct a new elementary school containing approximately 36,624 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 218 students in grades PK-4.	Property to be acquired by Board of Education within 1 mile of the existing Arnoldsburg Elementary School.	Bond Funds $ 2,814,758
Total Bond Costs		**$3,560,000**

This page intentionally left blank

APPENDIX E

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 2011 Bonds has been supplied by The Depository Trust Company ("DTC"), New York, New York. Neither the Board, nor 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 2011 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 2011 Bonds, in the aggregate principal amount of the Series 2011 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 and www.dtc.org.

3. Purchases of Series 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 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 2011 Bonds 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 Series 2011 Bonds, except in the event that use of the book-entry system for the Series 2011 Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2011 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 2011 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 2011 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 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 2011 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2011 Bonds may wish to ascertain that the nominee holding the Series 2011 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 2011 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 2011 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission 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 2011 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 2011 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 Board 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 Series 2011 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 Board, 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 Board 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 2011 Bonds at any time by giving reasonable notice to the Board 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 Board 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 Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

No Assurances Regarding DTC Practices

The Board, 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 2011 Bonds (1) payments of principal of or interest and premium, if any on the Series 2011 Bonds, (2) confirmations of beneficial interest in the Series 2011 Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Series 2011 Bonds, or that they will do so on a timely basis, or that DTC, DTC 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 Board, 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 2011 Bonds; (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2011 Bonds Resolution to be given to the Bondholders; or (4) the selection of the Beneficial Owners to receive payment in excess of any partial redemption of the Series 2011 Bonds.

This page intentionally left blank

APPENDIX F

ELECTED OFFICIALS OF THE BOARD

Steve Whited, President

Mr. Whited was re-elected for a four year term which began on July 1, 2010 and is currently the Board President. He graduated from Calhoun County High School in 1992, West Virginia University with a BS in Finance in 1996, and earned his MBA from Salem International University in 2010. Mr. Whited is currently the Chief Operating Officer and Chief Financial Officer of Minnie Hamilton Health Care Center, Inc., a hospital located in Grantsville, and has been employed there for 15 years. Mr. Whited served as a volunteer firefighter for over 10 years, a little league baseball coach for 5 years, and was president of the county park for over 8 years. He has volunteered hundreds of hours helping the local historical society, building and improving school playgrounds, and serving the community needs. Mr. Whited is married and has three children, all whom are in the county school system. His term will expire in June of 2014.

Cynthia Dale, Vice President

Mrs. Dale was elected for a 4 year term which began on July 1, 2008. She received a Bachelor's Degree from Glenville State College, a Master's Degree from Marshall University and an Educational Leadership Degree from Salem International University. Mrs. Dale taught for many years in the Cabell County School System in Huntington, WV. She is currently co-owner of Drilco Oil & Gas Corporation. She has acted as President of the Board of Education and currently is Vice-President of the Board. Her term will expire in June of 2012.

Faye Barnhart

Mrs. Barnhart was elected to a 4 year term on the Board of Education beginning on July 1, 2010. She is employed as a Chart Integrator for Little Kanawha Gas Measurements. During the past 25 years Mrs. Barnhart has been involved in many county organizations from youth football to high school cheerleading. She and her husband have been residents of Calhoun County for 31 years. They have 2 children and 2 grandchildren. Her term will expire in June of 2014.

Joy Starcher

Mrs. Starcher was elected for a 4 year term (2004-2008) which began on July 1, 2004 and was re-elected again in 2008 for a second term. She graduated from Calhoun County High School in 1959 and was employed in the County Clerk's office in January, 1960. Mrs. Starcher worked one month with the West Virginia Department of Welfare (1967) before returning to County Government to work in the Prosecuting Attorney's office until the fall of 1975. She was offered a job with Calhoun County Board of Education in the fall of 1975 and retired from the system in 2004. Mrs. Starcher and husband Marvin have been married 32 years. Her term will expire in June of 2012.

Michael Wilson

Mr. Wilson was re-elected to his 2nd term on the Calhoun County Board of education which began July 1, 2010. He is a 1987 graduate of Calhoun County High School and attended Parkersburg Community College. Mr. Wilson is employed by Dominion Transmission. Mr. Wilson is the father of 5 children and is married to Jessica (Rogers) Wilson. He resides in Arnoldsburg, WV. His term will expire in June of 2014.

APPOINTED OFFICIALS OF THE BOARD

Roger D. Propst, Superintendent

Mr. Propst was appointed Superintendent of Schools on November 13, 2008. He received his Bachelor of Arts Degree in Education from Glenville State College, Glenville, West Virginia in 1971. He received his Master of Arts Degree in Educational Leadership in 1982 from West Virginia University. He was employed by Calhoun County Schools in 1980 and has served as teacher, Attendance Director, Director of Support Services, Director of Finance, and Principal of Administration at Calhoun Middle/High School prior to his appointment as Superintendent.

Patricia Riddle, Treasurer

Ms. Riddle was appointed to the position of Director of Finance/Treasurer in 2007. She received her B.A. degree in accounting from Glenville State College in 1988. She was previously employed by Hayhurst Equipment for 13 years in the accounting department.

APPENDIX G

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 CALHOUN (the "Board"), and UNITED BANK, INC., Charleston, West Virginia, (the "Dissemination Agent"), in connection with the issuance of $3,560,000, The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds");

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

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the Board as of the date set forth below, for the benefit of the holders and owners (the "Bondholders") of the Series 2011 Bonds and in order to assist the Participating Underwriters (as defined below) in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only obligated person (as defined in the Rule) with respect to the Series 2011 Bonds at the time the Series 2011 Bonds are delivered to the Participating Underwriters and that no other person is expected to become an obligated person at any time after the issuance of the Series 2011 Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited consolidated financial statements of the Board, prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the U.S. Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Material Event" means the occurrence of any of the events with respect to the Series 2011 Bonds set forth in Exhibit II.

"Material Events Disclosure" means dissemination of a notice of a Material Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriters" means each broker, dealer or municipal securities dealer acting as an Underwriter in any primary offering of the Series 2011 Bonds.

"Prescribed Form" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of West Virginia.

"Undertaking" means the obligations of the Board pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the final maturity of the Series 2011 Bonds is 129748 BL2. The final Official Statement relating to the Series 2011 Bonds is dated July 7, 2011 (the "Final Official Statement").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I). The Board may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 270 days of the completion of the Board's fiscal year. However, if the Audited Financial Statements are not available at that time, they will be provided within 10 business days of receipt by the Board.

The Board is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2011 Bonds or defeasance of any Series 2011 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2011 Bonds pursuant to the Indenture. From and after the Effective Date, the Board is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty to Update EMMA/MSRB. The Board shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the Board to Provide Information. The Board shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Agreement, the Bondholder of any Bond may seek specific performance by court order to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Series 2011 Bonds or any agreement related thereto, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Board may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2011 Bonds, as determined either by parties unaffiliated with the Board or by an approving vote of the Bondholders of the Series 2011 Bonds holding a majority of the aggregate principal amount of the Series 2011 Bonds (excluding Series 2011 Bonds held by or on behalf of the Board or its affiliates) pursuant to the terms of the Bond Order at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the Board shall be terminated hereunder when the Board shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2011 Bonds. The Board shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Board has appointed United Bank, Inc., Charleston, West Virginia, as Dissemination Agent in connection with the issuance of the Series 2011 Bonds to assist the Board in carrying out its obligations under this Agreement. The Board may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Board chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Board shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the

Board, the Dissemination Agent and the Bondholders of the Series 2011 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Board shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The Board represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State.

Dated: July 21, 2011.

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

By: _____
Title: Secretary

UNITED BANK, INC.

By: _____
Title: Vice President

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data exclusive of Audited Financial Statements of the type appearing in the Final Official Statement or incorporated by reference in the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Board shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of the Board's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available within such 270 days or when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Board.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the Board, the Board will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2011 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Nonpayment-related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

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

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

7. Modifications to rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the Board*

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

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

---

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

EXHIBIT III

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: $3,560,000 Public School Bonds, Series 2011

Date of Bond Issue: July 21, 2011

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Financial Information with respect to the above-named Series 2011 Bonds as required by Section 4 of the Continuing Disclosure Agreement dated July 21, 2011, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____.

Dated: _____

UNITED BANK, INC.

By: _____

Title: _____

cc: [Board]

This page intentionally left blank

MIX
From responsible sources
FSC™ C017146
FSC
www.fsc.org

Printed by: ImageMaster

STANDARD & POOR'S

Global Credit Portal®
RatingsDirect®

June 30, 2011

Summary:

Calhoun County Board Of Education, West Virginia; General Obligation; School State Program

Primary Credit Analyst:
Danielle Leonardis, New York (1) 212-438-2053; danielle_leonardis@standardandpoors.com

Secondary Contact:
Timothy Barrett, New York (1) 212-438-6327; timothy_barrett@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

876566 | 300189365

Summary:

Calhoun County Board Of Education, West Virginia; General Obligation; School State Program

Credit Profile		
US$3.56 mil pub sch bnds ser 2011 due 06/01/2031		
Long Term Rating	AA/Stable	New
Calhoun Cnty Brd of Ed GO		
Long Term Rating	AA/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA' rating and stable outlook to Calhoun County Board of Education, W.Va.'s series 2011 public school bonds and affirmed its 'AA' rating, with a stable outlook, on the district' existing general obligation (GO) bonds.

The rating reflects Calhoun County Board of Education's eligibility for, and participation in, the West Virginia Municipal Bond program. The rating also reflects the state's strong debt service oversight and the legislature's replenishment provision for the bond commission's sinking fund. Under the program, the state annually appropriates sufficient funds to meet any shortfall in an issuer's debt service payment to bondholders.

Standing Appropriation Programs

Standard & Poor's rates four different types of state programs, in more than 20 states, that provide enhancement for school bond issues. These program types include state guarantee, permanent fund, standing or annual appropriation, and state intercept or withholding programs. Each state program is analyzed according to the program type and the rating is based on the characteristics of the particular program and funding mechanisms. West Virginia is one of five states with Standard & Poor's- rated standing appropriation programs, along with California, Minnesota, New Jersey and Texas. Because appropriation programs are dependent on the ability of a state to use its cash reserves to make up any debt service deficiencies, a program's rating is directly linked to the state's own credit quality. Therefore, the program rating will move in tandem with its related state rating, keeping the relative rating differential between the program rating and the state rating constant. The program's rating outlook will always reflect the state's rating outlook.

West Virginia's Municipal Bond Program

As authorized by Chapter 13, Article 3 of the West Virginia Code, the state's bond commission serves as the bond trust agent, administering the GO debt sinking funds for the state's school districts and municipalities. Also, the commission has debt service levy oversight. All funds collected to meet debt service on a municipality's GO bonds are turned over to the commission for payment of debt service.

In addition to this statutory provision, the commission's administrative guidelines include notifying the local government unit 35 days before a debt service payment, if available funds are insufficient for debt service. If

876566 | 300189365

sufficient funds are not on hand 15 days before the debt service payment, the entity is contacted again. Whenever the amount deposited for any issuer is not sufficient to meet the interest or principal due, it shall be the duty of the school district's treasurer, upon being notified of that fact by the commission, to immediately remit all funds in his possession that have been earmarked by the issuer for the purpose of amortizing bonded indebtedness plus such additional funds as are necessary to meet the interest or principal due. Since 1921, the state legislature has made an annual blanket appropriation in the budget authorizing the governor to meet any deficiency in the state sinking fund because of a school district or governmental unit's failure to meet its debt service obligations.

Calhoun County School District

The district, which is coterminous with Calhoun County, is in the central part of the state, roughly 76 miles from Charleston. The district consists of two elementary schools and one middle and high school. Student enrollment, currently at 1,122, has declined by 2.7% since 2006. Enrollment is projected to further decline by another 11% to 1,000 students by 2015. In our opinion, wealth and income levels are a good 103% of the state's level yet an adequate 77% of the nation's level. County unemployment has historically been above state and national rates. Proceeds will be used to finance various school projects.

Outlook

The stable outlook reflects the outlook on the state's GO bond rating.

Related Criteria And Research

USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

876566 | 300189365

Copyright © 2011 by Standard & Poors Financial Services LLC (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

The McGraw-Hill Companies

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

William K. Bragg, Jr.
Goodwin & Goodwin, LLP
P.O. Box 2107
Charleston, WV 25328-2107

(Calhoun Co.)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service Center
Ogden, UT 84201

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED
JUL 26 2017
645
OGDEN, UT

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☑ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label) 7008 1830 0003 3807 8802

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

LAW OFFICES
GOODWIN & GOODWIN, LLP
300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678

P. O. BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107

TELEPHONE (304) 346-7000
TELECOPIER (304) 344-9692

www.goodwingoodwin.com

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
(304) 485-2345

P.O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

COPY

July 22, 2011

Via Certified Mail-Return Receipt
Requested No. 7008 1830 0003 3807 8802
Internal Revenue Service Center
Ogden, UT 84201

Re: $3,560,000
The Board of Education of the County of Calhoun (West Virginia)
Public School Bonds, Series 2011

Gentlemen:

Enclosed is Form 8038-G filed on behalf of the Calhoun County (West Virginia) Board of Education, Mt. Zion, West Virginia, which provides the information required by Section 149(e) of the Internal Revenue Code of 1986, as amended. We have also enclosed a file copy to be returned to our office (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope.

Sincerely yours,

W. K. Bragg, Jr.

William K. Bragg, Jr.

WKB/aks
Enclosure

Form **8038-G**
(Rev. May 2010)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name **The Board of Education of the County of Calhoun, West Virginia**	2 Issuer's employer identification number (EIN) **55 6000309**
3 Number and street (or P.O. box if mail is not delivered to street address) / Room/suite **540 Alan B. Mollohan Drive**	4 Report number *(For IRS Use Only)* 3
5 City, town, or post office, state, and ZIP code **Mt. Zion, WV 26151**	6 Date of issue **07/21/2011**
7 Name of issue **The Board of Education of Calhoun County, Public School Bonds, Series 2011**	8 CUSIP number **129748**
9 Name and title of officer of the issuer or other person whom the IRS may call for more information **William K. Bragg, Jr., Bond Counsel**	10 Telephone number of officer or other person **(304) 346-7000**

Part II Type of Issue (enter the issue price) See instructions and attach schedule

11	Education	11	3,595,997	10
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶	18		
19	If obligations are TANs or RANs, check only box 19a ▶ ☐ If obligations are BANs, check only box 19b ▶ ☐			
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/01/2031	$ 3,595,997.10	$ 3,560,000	11.9128 years	3.6589 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22		
23	Issue price of entire issue (enter amount from line 21, column (b))			23	3,595,997	10
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	95,527 75			
25	Proceeds used for credit enhancement	25				
26	Proceeds allocated to reasonably required reserve or replacement fund	26				
27	Proceeds used to currently refund prior issues	27				
28	Proceeds used to advance refund prior issues	28				
29	Total (add lines 24 through 28)			29	95,527	75
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	3,500,469	35

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 ▶ _____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶ _____
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . .	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . .	36a	
b	Enter the final maturity date of the GIC ▶ _____		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units . . .	37a	

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ 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 . . . . ▶ ☑

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . . ▶ ☐

40 If the issuer has identified a hedge, check box . . . . . ▶ ☐

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Roger D. Propst — Signature of issuer's authorized representative — Date 7-21-11 ▶ Roger D. Propst, Secretary — Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ W. K. Bragg, Jr.	Date 7/21/11	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶ Goodwin & Goodwin, LLP PO Box 2107, Charleston, WV 25328	EIN 55 0519853 Phone no. (304) 346-7000		

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA
COUNTY OF CALHOUN, to-wit:

I, Helen R. Morris, being first duly sworn upon my oath, do depose and say that I am publisher of *The Calhoun Chronicle/Grantsville News,* a Democratic newspaper published for at least fifty weeks during the calendar year in Grantsville, Calhoun County, West Virginia, that such newspaper is a newspaper of "general circulation" as that term is defined in Article 3, Chapter 59 of the Code of West Virginia, 1931, as amended, within the publication area, or areas, of said municipality and county and adjoining counties of Calhoun; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is 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 nature and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of

PUBLIC NOTICE

_____

_____

was duly published in said newspaper once a week for 2 successive week(s) (Class II), commencing with the issue of the 17th. day of February, 2011, and ending with the issue of the 24th. day of February, 2011.

The cost of publishing said annexed notice was $1005.98.

Signed
Helen R Morris

Taken, subscribed and sworn before me in my said county on This 21st day of February, 2011.

My commission expires: October 1, 2012

Angela D Hersman
Notary Public of Calhoun County, West Virginia

Notary Public Official Seal
State of West Virginia
Angela D. Hersman
P.O. Box 989
Grantsville, WV 26147
My Commission Expires Oct. 1, 2012

NOTICE OF BO
MARCH
TO THE VO
CALHOUN COUNTY BOARD OF E
STATE OF WE

Take notice that the following order was made and ente
of the County of Calhoun, a statutory corporation, functioning pu
13th day of December, 2010, a quorum being present and acting
AN ORDER OF THE BOA
OF TH
COUNTY OF C
DIRECTING AN ELECTION TO BE HELD FOR THE PURPO
COUNTY SCHOO
ALL QUESTIONS CONNECTED WITH
AND THE ISSUING OF BONDS IN
THREE MILLION FIVE HUNDRED SIXTY
($3,560,00

BE IT ORDERED BY THE BOARD OF EDUCATION O
Education of the County of Calhoun (hereinafter called the "Boar
in the Calhoun County School District (hereinafter called the "S
reports, recommendations and the needs of the School District
and, based upon this information, the Board does accordingly find

1. There are now and have been for several years in
that generally result in a lack of efficiency, lack of adequate healt
students properly for gainful employment and further education,
the School District. To meet these inadequacies, there is a nee
renovate certain school facilities in all grade and age levels, as
achieve these stated goals.

2. The funds derived from current levies which this
administration of the affairs of the Board and meeting the current
the projects required by a comprehensive building program and,
projects.

3. To obtain the necessary funds for the projects here
Bonds for the acquisition, construction, erection, improvement,
Board show that the School District must spend at least the sum
Dollars ($3,560,000.00) for such purposes, which would come fr
all for the general purpose of providing adequate, safe and conve

4. The valuation of the taxable property in the School
and County taxation purposes, is $235,716,244, and valuation
follows:

Class I	$
Class II	71,478,
Class III	154,776,
Class IV	9,461,
Total	$235,716,

5. The Board and the School District has outstanding
The remaining indebtedness of the School District is for curre
maximum bonded indebtedness the Board may incur is five per
Accordingly, Bonds in the amount of $3,560,000.00, plus exiting
of which is less than five percent (5%) of the value of such taxab
State and County taxes, may be issued and sold without violating

6. Bonds in the denomination of $5,000 each, or in
issued and sold, the proceeds of which shall be used for the p
event that any part of the Bond proceeds should not be needed
deposited with the Municipal Bond Commission of West Virginia
outstanding at not more than the par value thereof plus accrued
and the interest thereon at the maturities thereof. The procee
specified; and, provided, further, the Board shall have the autho
matured Bonds from Bond proceeds until levy money is ava
expended for this purpose shall be reimbursed from levy money

7. The question of incurring said debt, issuing said
shall be submitted to the voters of the School District at a speci
commissioners and clerks for holding said election, at each of
shall be those commissioners and clerks designated, appointed
West Virginia in connection with said election.

8. The Bonds shall bear interest at a rate or rates n
annum, payable semiannually, but it is hoped that the best bid

-- LEGAL NOTICE -- -- LEGAL NOTICE -- -- LEGAL NOTICE --

NOTICE OF BOND ELECTION
MARCH 4, 2011
TO THE VOTERS OF
CALHOUN COUNTY BOARD OF EDUCATION SCHOOL DISTRICT,
STATE OF WEST VIRGINIA

Take notice that the following order was made and entered of record at a regular meeting of the Board of Education of the County of Calhoun, a statutory corporation, functioning pursuant to the laws of the State of West Virginia, held on the 13th day of December, 2010, a quorum being present and acting throughout said meeting:

AN ORDER OF THE BOARD OF EDUCATION
OF THE
COUNTY OF CALHOUN
DIRECTING AN ELECTION TO BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF CALHOUN COUNTY SCHOOL DISTRICT
ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT
AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF
THREE MILLION FIVE HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS
($3,560,000.00)

BE IT ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN: It appears to the Board of Education of the County of Calhoun (hereinafter called the "Board") from the experience of the Board in operating the schools in the Calhoun County School District (hereinafter called the "School District") and after carefully studying and considering reports, recommendations and the needs of the School District regarding the desire for an improved educational program and, based upon this information, the Board does accordingly find that:

1. There are now and have been for several years in the School District serious deficiencies in its physical plants that generally result in a lack of efficiency, lack of adequate health and safety standards, lack of adequate facilities to prepare students properly for gainful employment and further education, and an overall impairment of the educational process within the School District. To meet these inadequacies, there is a need to enlarge, equip, extend, furnish, improve, construct, and renovate certain school facilities in all grade and age levels, as soon as possible, in the manner hereinafter stated, and to achieve these stated goals.

2. The funds derived from current levies which this Board is now authorized by law to lay, after providing for administration of the affairs of the Board and meeting the current expenses thereof required by law, are insufficient to finance the projects required by a comprehensive building program and, therefore, Bonds should be issued to provide funds for such projects.

3. To obtain the necessary funds for the projects hereinafter described, it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, improvement, equipping and furnishing of such projects. Studies by the Board show that the School District must spend at least the sum of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000.00) for such purposes, which would come from the proceeds of the sale of the Bonds and other sources, all for the general purpose of providing adequate, safe and convenient educational facilities for the School District.

4. The valuation of the taxable property in the School District, as shown by the last assessment thereof for State and County taxation purposes, is $235,716,244, and valuation of each class of property within the School District is as follows:

Class I	$ 0
Class II	71,478,417
Class III	154,776,714
Class IV	9,461,113
Total	$235,716,244

5. The Board and the School District has outstanding bonded indebtedness in the principal amount of $670,000. The remaining indebtedness of the School District is for current expenses and can be paid from current levy funds. The maximum bonded indebtedness the Board may incur is five percent (5%) of the total amount shown above or $11,785,812. Accordingly, Bonds in the amount of $3,560,000.00, plus exiting indebtedness in the principal amount of $670,000, the total of which is less than five percent (5%) of the value of such taxable property as ascertained by the last assessment thereof for State and County taxes, may be issued and sold without violating any constitutional or statutory provision.

6. Bonds in the denomination of $5,000 each, or integral multiples thereof, aggregating $3,560,000, should be issued and sold, the proceeds of which shall be used for the projects hereinafter described; provided, however, that in the event that any part of the Bond proceeds should not be needed for completion of the projects, such unneeded part shall be deposited with the Municipal Bond Commission of West Virginia to be used solely for the purchase of any Bonds of this issue outstanding at not more than the par value thereof plus accrued interest to date of purchase or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified; and, provided, further, the Board shall have the authority to pay matured interest and the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the Bond proceeds expended for this purpose shall be reimbursed from levy money collected.

7. The question of incurring said debt, issuing said Bonds, and all other questions properly connected therewith shall be submitted to the voters of the School District at a special election to be held on the 4th day of March, 2011, and the commissioners and clerks for holding said election, at each of the legally established voting precincts in Calhoun County, shall be those commissioners and clerks designated, appointed and certified by The County Commission of Calhoun County, West Virginia in connection with said election.

8. The Bonds shall bear interest at a rate or rates not exceeding the rate of six and 50/100 percent (6.50%) 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 (20) years and six (6) months from their date of issuance.

9. The Bonds shall be issued only in book entry or registered form as to principal and interest in compliance with the United States Internal Revenue Code Sections 103 and 149 (26 USC Section 103 and Section 149), as amended, and as authorized by the West Virginia Public Obligations Registration Act, Article 2F, Chapter 13 of the Code of West Virginia of 1931, as amended (the "Code").

10. The projects for which the proceeds of the Bonds, if authorized by the voters to be expended, are as follows:

Projects	Locations	Costs
Calhoun County Middle/High School		
Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School		

statutory limitations, this levy for interest and principal shall have preference over all other taxes collected by said School District for any purpose whatsoever, except the payment of the interest and sinking fund requirements on any other bond issue or issues which lawfully have been authorized heretofore or which shall be authorized hereafter.

13. If the debt represented by this Bond issue shall be approved by the voters, such Bonds, together with any other bonded indebtedness 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 CALHOUN 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 Calhoun County, at a special election to be held on Friday, March 4, 2011, the question of whether the Board should incur debt and issue Bonds in the sum of $3,560,000.00 for the purposes set forth in this order.

1. The schedule of commissioners, clerks and poll workers which are designated, appointed and certified for the purpose of a special, primary or general election shall be the same commissioners, clerks and poll workers which are designated, appointed and certified by The County Commission of Calhoun County, West Virginia, in connection with the special election to be held on Friday, March 4, 2011. Such commissioners, clerks and poll workers shall be identified in an Amended Order to be approved by the Board when their names become available.

2. Notice of this question shall be given by publication of this order at least once each week for two (2) successive weeks before the election and within fourteen (14) consecutive days next preceding the election in *The Calhoun Chronicle*, a newspaper of general circulation in the School District.

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

OFFICIAL BALLOT
CALHOUN COUNTY BOARD OF EDUCATION
SCHOOL BOND ELECTION
FRIDAY, MARCH 4, 2011

"Shall the Board of Education of the County of Calhoun incur debt and issue bonds in the amount of $3,560,000.00, maturities on such bonds to run not more than twenty (20) years and six (6) months from the date of such bonds, with interest not exceeding the rate of six and 50/100 percent (6.50%) per annum, payable semiannually, subject to redemption prior to maturity, in whole or in part, on terms established by the Board, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing, equipping, consolidating and/or relocating of the projects described below, all for the general purpose of providing adequate, safe and convenient facilities for the Calhoun County School District:

Projects	Locations	Costs
Calhoun County Middle/High School		
Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School		
Construct a new elementary school containing approximately 36,624 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 218 students in grades PK-4.	Property to be acquired by Board of Education within 1 mile of the existing Arnoldsburg Elementary School.	Bond Funds $ 2,814,758
Total Bond Costs		**$3,560,000**

The above amounts consist of an aggregate of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000.00) of bond proceeds. In addition, the Board has requested grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Five Million Six Hundred Fifty-six Thousand One Hundred Sixty-two and 00/100 Dollars ($5,656,162.00). The total amounts to be expended by the Board from all sources will be Nine Million Two Hundred Sixteen Thousand One Hundred Sixty-two and 00/100 Dollars ($9,216,162.00).

In the event the Board does not receive a written commitment from the School Building Authority of West Virginia to provide Grant Funds as aforesaid, the Board may elect not to issue the Bonds, and consequently, the Board will not levy taxes to provide funds for the payment of said Bonds.

After providing for the administration of instruction in the Calhoun County schools and meeting the current expenses thereof required by law, current funding is insufficient to finance the comprehensive renovation and construction program described above. Therefore, the Board finds it necessary to incur debt and issue bonds to provide the above stated funds for such projects.

The amounts described above include the costs of acquiring real estate and rights-of-way, if any, engineering and architectural costs, environmental remediation costs, construction costs including but not limited to the cost of using county maintenance personnel, the costs of demolition, the costs and estimated costs of the issuance of the Bonds, capitalized interest, if necessary, interest during construction and such other costs, fees and expenses as shall be necessary and/or properly incurred in carrying out the foregoing projects. If for any reason any portion of the above-enumerated projects cannot be constructed, carried out, or completed, the amounts above set out for each such project and any sums remaining unused upon completion of the foregoing projects shall be allocated by the Board in its discretion, to be expended for any one or more remaining items associated with the above-enumerated construction projects, as provided by Section 6(a), Article 1, Chapter 13 of the Code of West Virginia of 1931, as amended. 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

restrooms and facility planning, to house approximately 218 students in grades PK-4.

Total Bond Costs **$3,560,000**

The above amounts consist of an aggregate of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000.00) of bond proceeds. In addition, the Board has requested grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Five Million Six Hundred Fifty-six Thousand One Hundred Sixty-two and 00/100 Dollars ($5,656,162.00). The total amounts to be expended by the Board from all sources will be Nine Million Two Hundred Sixteen Thousand One Hundred Sixty-two and 00/100 Dollars ($9,216,162.00).

In the event the Board does not receive a written commitment from the School Building Authority of West Virginia to provide Grant Funds as aforesaid, the Board may elect not to issue the Bonds, and consequently, the Board will not levy taxes to provide funds for the payment of said Bonds.

After providing for the administration of instruction in the Calhoun County schools and meeting the current expenses thereof required by law, current funding is insufficient to finance the comprehensive renovation and construction program described above. Therefore, the Board finds it necessary to incur debt and issue bonds to provide the above stated funds for such projects.

The amounts described above include the costs of acquiring real estate and rights-of-way, if any, engineering and architectural costs, environmental remediation costs, construction costs including but not limited to the cost of using county maintenance personnel, the costs of demolition, the costs and estimated costs of the issuance of the Bonds, capitalized interest, if necessary, interest during construction and such other costs, fees and expenses as shall be necessary and/or properly incurred in carrying out the foregoing projects. If for any reason any portion of the above-enumerated projects cannot be constructed, carried out or completed, the amounts above set out for each such project and any sums remaining unused upon completion of the foregoing projects shall be allocated by the Board, in its discretion, to be expended for any one or more remaining items associated with the above-enumerated construction projects, as provided by Section 6(a), Article 1, Chapter 13 of the Code. In the event the Board shall obtain additional money by grant or otherwise from the State or Federal government, or from any agency of either, or from any other source, for use in the acquisition, remediation, construction, renovation, improvement, demolition, paving, furnishing and/or equipping of the above-enumerated projects, such additional money shall be used either in substitution for or in addition to the proceeds of the sale of the Bonds proposed hereby, as shall be determined by the Board and the granting body or agency.

11. If the voters of the School District approve the incurring of said debt and the issuance of said Bonds, the Board will lay annually, upon the assessed valuation of all the taxable property within the School District, a levy sufficient to provide funds for the payment of the annual interest upon the Bonds as such interest accrues semiannually and the principal of the Bonds at maturity, for which purposes a levy upon each $100 valuation, based upon the last assessment of such property for State and County purposes, will be required as follows:

Upon Class I Property approximately	4.48 cents
Upon Class II Property approximately	8.96 cents
Upon Class III Property approximately	17.92 cents
Upon Class IV Property approximately	17.92 cents

12. In the laying of said levy, the assessment levy authorized to be laid by said Board by the Constitution of West Virginia and the statutes enacted pursuant thereto shall not be exceeded; provided, however, that said rates hereinabove set forth shall, whenever necessary, be exceeded in making the annual levy for interest and principal of said Bonds within statutory and constitutional limitations; and that in the levy, collection and disbursement of taxes within constitutional and

Research shows that **three** out of **five** kids today don't get enough physical exercise. But without safe places to go out and play, what can you do?

Find out how you can get involved and help create healthier environments for our kids.

CHANGE THE FUTURE WV

CHANGETHEFUTUREWV.ORG

West Virginia Department of Health and Human Resources

Mid-Ohio Valley Health Department

Made possible by funding from the Department of Health and Human Services

To vote in favor of the proposition submitted on this ballot, mark an "X" in the square beside the words "FOR THE PROPOSITION."

To vote against the proposition submitted on this ballot, mark an "X" in the square beside the words "AGAINST THE PROPOSITION."

☐ FOR THE PROPOSITION

☐ AGAINST THE PROPOSITION

4. The Secretary of the Board with the assistance of the Clerk of the County Commission, which Clerk is hereby designated and appointed as 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 Clerk of the County Commission in relation to special, primary and general elections, and in accordance with Chapter 13, Article 1, Section 13 of the Code.

5. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the County Commission of the County of Calhoun, and said Clerk is hereby appointed the agent for the Board to perform all duties relating to absentee ballots in a special, primary or general election.

6. The registration of voters and the use of the registration booths shall be governed by the permanent registration law of the State, and the Board hereby adopts the registration list of Calhoun County as the official registration list of the School District for this election.

Adopted on the 13th day of December, 2010.

THE BOARD OF EDUCATION OF THE
COUNTY OF CALHOUN
By: Steve Whited
President

ATTEST:
Roger D. Propst
Secretary

Given under my hand this 13th day of December, 2010.
Roger D. Propst
Secretary of the Board of Education of the County of Calhoun

Class II Legal - 2tc/2/17-24

Basket Bingo

Calhoun Middle/High School track and cross country teams will host basket bingo on Saturday, Mar. 12, 6 p.m., at Calhoun Middle/High School commons area.

Proceeds will go toward the purchase of new uniforms and equipment, and a percentage to the Calhoun Track and Field Fund. The teams' long term goal is to build a running track for all Calhoun County students and citizens.

If you want to sponsor a basket or donate money toward the purchase of a basket, call coach Melinda Fitzwater, 354-6524, home, or 354-6148, work.

THE STEVE SMITH BAND
IN CONCERT
also featuring Calhoun's own Katlin Collins
Saturday, March 5 at 7 p.m.
CMHS Auditorium Tickets $10
concessions will be available

Tickets are available now at Arnoldsburg Elementary or from any AES PTO officer. Call Lorie Bailey for more info 655-7432.

All proceeds go to the Arnoldsburg Elementary PTO for projects at the school.

HAVE AN INJURY CLAIM?
CHOOSE ABILITY, EXPERIENCE, REPUTATION

ALAN SIMMS
THE Attorney-At-Law
Elizabeth, WV
"IT'S WELL WORTH THE DRIVE!"
304-275-3470

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA
COUNTY OF CALHOUN, to-wit:

I, Helen R. Morris, being first duly sworn upon my oath, do depose and say that I am publisher of *The Calhoun Chronicle/Grantsville News,* a Democratic newspaper published for at least fifty weeks during the calendar year in Grantsville, Calhoun County, West Virginia, that such newspaper is a newspaper of "general circulation" as that term is defined in Article 3, Chapter 59 of the Code of West Virginia, 1931, as amended, within the publication area, or areas, of said municipality and county and adjoining counties of Calhoun; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is 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 nature and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of

PUBLIC NOTICE

_____

_____

was duly published in said newspaper once a week for 2 successive week(s) (Class II), commencing with the issue of the 2nd. day of June, 2011, and ending with the issue of the 9th. day of June, 2011.

The cost of publishing said annexed notice was $142.44.

Signed

Helen R. Morris

Taken, subscribed and sworn before me in my said county on This 9th day of June, 2011.

My commission expires: October 1, 2012

Notary Public of Calhoun County, West Virginia

Official Seal
State of West Virginia
Angela D. Hersman
P.O. Box 989
Grantsville, WV 26147
My Commission Expires Oct. 1, 2012

LEGAL NOTICE

$3,560,000
IN THE MATTER OF THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, STATE OF WEST VIRGINIA, PUBLIC SCHOOL BONDS, SERIES 2011
ATTORNEY GENERAL'S APPROVAL

At the regular session of the Board of Education of the County of Calhoun, State of West Virginia, held on the 13th day of December, 2010, an Order was entered of record authorizing a vote to be taken by the legal voters of the County of Calhoun at a special election to be held on the 4th day of March, 2011, upon all questions connected with the incurring of and issuing bonds in the aggregate principal amount of Three Million Five Hundred Sixty Thousand and 00/100 Dollars ($3,560,000), 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:

Projects	Locations	Costs
Calhoun County Middle/High School		
Installation of air-conditioning in gymnasiums	Current Calhoun County Middle/High School Property	Bond Funds $745,242
Arnoldsburg Elementary School		
Construct a new elementary school containing approximately 36,624 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 218 students in grades PK-4.	Property to be acquired by Board of Education within 1 mile of the existing Arnoldsburg Elementary School.	Bond Funds $ 2,814,758
	Total Bond Costs	**$3,560,000**

The Board of Education of the County of Calhoun, 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 duly certified copies of all the orders, ordinances, proclamations, 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 on the proposition of incurring debt and issuing bonds, as provided in said order, five hundred forty-five (545) votes were cast for and two hundred sixty-three (263) votes were cast against the issuance of said bonds, so that sixty-seven percent (67%) of the voters in said election voted in favor of incurring debt and issuing bonds as provided in said order.

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.

STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
CHARLESTON 25305

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

(304) 558-2021
FAX (304) 558-0140

June 22, 2011

The Honorable Rory L. Perry, Clerk
West Virginia Supreme Court of Appeals
State Capitol, Room E-317
Charleston, West Virginia 25305

Re: $3,560,000 The Board of Education of the County of Calhoun
Public School Bonds, Series 2011

Dear Mr. Perry:

On May 27, 2011, 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 Calhoun Chronicle/Grantsville News*, as required by law, with the last publication date being June 9, 2011.

Please advise me whether any person or taxpayer within ten days from and after the date of the last publication of the above-referenced notice 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: Dawn E. Warfield

DAWN E. WARFIELD
DEPUTY ATTORNEY GENERAL

DEW/sc
Enclosure

SUPREME COURT OF APPEALS

OFFICE OF THE CLERK

CLERK OF COURT
RORY L. PERRY II

DEPUTY CLERK
EDYTHE NASH GAISER

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

June 23, 2011

RECEIVED
JUN 2011
Attorney General

Dawn E. Warfield, Esq.
Deputy Attorney General
Attorney General's Office
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305

Re: ***$3,560,000 The Board of Education of the County of Calhoun***
<u>Public School Bonds, Series 2011</u>

Dear Ms. Warfield:

As of this date, no person or taxpayer, within ten days from and after the date of last publication of notice of the above-referenced bond issue on June 9, 2011, 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 Of

City and County of New York, ss.: -

Yohanna Beato 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 June 30th, 2011.

Thursday, June 23, 2011
www.bondbuyer.com

Competitive

Billing Coordinator

SUMMARY NOTICE OF BOND SALE

$3,560,000
The Board of Education of the County of Calhoun (West Virginia)
Public School Bonds, Series 2011

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 P.M., Eastern Daylight Time, on July 7, 2011. Bids may be submitted electronically via PARITY® pursuant to this Notice until 12:00 P.M, Eastern Daylight 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 TM3, or other such service, of any changes.

o before me this

The Bonds will be dated the date of their delivery and will mature on June 1 in the years and in the amounts as follows:

Maturing (June 1)	Principal Amount ($)	Maturing (June 1)	Principal Amount ($)
2012	80,000	2022	175,000
2013	115,000	2023	185,000
2014	120,000	2024	195,000
2015	125,000	2025	205,000
2016	130,000	2026	215,000
2017	140,000	2027	225,000
2018	145,000	2028	240,000
2019	150,000	2029	250,000
2020	160,000	2030	260,000
2021	170,000	2031	275,000

The Bonds are subject to redemption prior to maturity. 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 Goodwin & Goodwin LLP, Charleston, West Virginia will be furnished to the successful bidder at the expense of the Board. The Bonds will be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986. 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.

Bidders must refer to the complete Official Notice of Sale for the terms and conditions of the sale. 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., 500 Lee Street, East, Suite 530, Laidley Tower, Charleston, West Virginia 25301 (telephone 304/346-1981).

By Order of The Board of Education of The County of Calhoun (West Virginia).

June 23, 2011

NTHIA D. LEWIS
Public, State of New York
No. 01LE6202296
fied in New York County
sion Expires March 9, 2013

RECEIVED JUL 05 2011

Copy Of Advertisement Of

City and County of New York, ss.: -

Yohanna Beato 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 June 23rd, 2011.

Billing Coordinator

Subscribed and sworn to before me this

June 23rd, 2011

CYNTHIA D. LEWIS
Notary Public, State of New York
No. 01LE6202296
Qualified in New York County
Commission Expires March 9, 2013

\\\\\\\\\\\\\\\AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA
COUNTY OF CALHOUN, to-wit:

I, Helen R. Morris, being first duly sworn upon my oath, do depose and say that I am publisher of *The Calhoun Chronicle/Grantsville News,* a Democratic newspaper published for at least fifty weeks during the calendar year in Grantsville, Calhoun County, West Virginia, that such newspaper is a newspaper of "general circulation" as that term is defined in Article 3, Chapter 59 of the Code of West Virginia, 1931, as amended, within the publication area, or areas, of said municipality and county and adjoining counties of Calhoun; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is 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 nature and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of

PUBLIC NOTICE

_____

_____

was duly published in said newspaper once a week for 2 successive week(s) (Class II), commencing with the issue of the 23rd. day of June, 2011, and ending with the issue of the 30th. day of June, 2011.

The cost of publishing said annexed notice was $195.85.

Signed

Helen R Morris

Taken, subscribed and sworn before me in my said county on This 13th day of July, 2011.

My commission expires: 3-10-2016

Sarah A. Albaugh

Notary Public of Calhoun County, West Virginia

NOTARY PUBLIC OFFICIAL SEAL
STATE OF WEST VIRGINIA
SARAH A. ALBAUGH
P.O. BOX 551
GRANTSVILLE, WV 26147
MY COMMISSION EXPIRES MAR. 10, 2016

SUMMARY NOTICE OF BOND

$3,560,000
The Board of Education of the County of Calhoun (West Virginia) Public School Bonds, Series 2011

Notice is hereby given that electronic proposals will be received via P until 12:00 P.M., Eastern Daylight Time, on July 7, 2011. Bids may be submitted el Notice until 12:00 P.M., Eastern Daylight Time, but no bid will be received after the t the extent any instructions or directions set forth in PARITY® conflict with this Not For further information about PARITY®, potential bidders may contact the Financial (212) 849-5021. The Board reserves the right to change the date of sale and woul service, of any changes.

The Bonds will be dated the date of their delivery and will mature on Jun follows:

Maturing (June 1)	Principal Amount ($)	Maturing (J
2012	80,000	2022
2013	115,000	2023
2014	120,000	2024
2015	125,000	2025
2016	130,000	2026
2017	140,000	2027
2018	145,000	2028
2019	150,000	2029
2020	160,000	2030
2021	170,000	2031

The Bonds are subject to redemption prior to maturity. The Bonds are genera and credit of the Board are pledged for payment of the principal of and interest ther Goodwin LLP, Charleston, West Virginia, will be furnished to the successful bidde will be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the In will be issued in fully registered form in denominations of $5,000 and multiples of form only with The Depository Trust Company acting as securities depository.

Bidders must refer to the complete Official Notice of Sale for the terms copy of the Official Notice of Sale and the Official Form of Proposal is contained may be obtained from the Board's Financial Advisor, Raymond James & Associat Laidley Tower, Charleston, West Virginia 25301 (telephone 304/346-1981).

By Order of The Board of Education of The County of Calhoun (West Virginia June 23, 2011.

OFFICIAL NOTICE OF SALE

$3,560,000
The Board of Education of the
County of Calhoun (West Virginia)
Public School Bonds, Series 2011

The Board of Education of the County of Calhoun, West Virginia, (the "Board") is using PARITY® as a communication mechanism to conduct the electronic bidding for sale of its $3,560,000 Public School Bonds, Series 2011 (the "Series 2011 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, Eastern Standard Time**, on **July 7, 2011**. Bids for the Series 2011 Bonds may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, Eastern Standard Time, but no bid will be accepted 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 1359 Broadway, 2nd Floor, New York, NY 10018, telephone 212.849.5021. The bids will be publicly announced, and the Board will act upon the bids by 2:00 p.m., Eastern Standard Time.

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY®. No in person or fax bids will be accepted. Subscription to PARITY® is required in order to submit an electronic bid and the Board will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe. No other form of electronic bid or provider of electronic bidding services will be accepted.

For the purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all electronic bids submitted.

Each bid must be unconditional.

The Board expects to take the bids on the Series 2011 Bonds on July 7, 2011. However, the Board reserves the right to postpone the date and time established for the receipt of the bids or to change the bidding parameters set forth in this Official Notice of Sale. Any such postponement or change will be announced by TM3, 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 an electronic bid for the purchase of the Series 2011 Bonds on such alternative sale date in conformity with the provisions of the Official Notice of Sale, except for any changes announced via TM3 or any other such service, as described therein.

Preliminary Official Statement

Copies of the Preliminary Official Statement concerning the Series 2011 Bonds and the Official Form of Proposal relating to the Series 2011 Bonds may be secured from Roger D. Propst, Superintendent, Calhoun County Board of Education, 540 Alan B. Mollohan Drive, Mt. Zion, West Virginia, telephone 304.354.7011 or from Raymond James & Associates, Inc., 500 Lee Street, East, Suite 530, Laidley Tower, Charleston, West Virginia, 25301, telephone 304.346.1981.

The Series 2011 Bonds

The Series 2011 Bonds will be dated the date of their delivery (the "Dated Date") and will mature on June 1 in the years and in the amounts as follows:

Maturing (June 1)	Principal Amount ($)	Maturing (June 1)	Principal Amount ($)
2012	80,000	2022	175,000
2013	115,000	2023	185,000
2014	120,000	2024	195,000
2015	125,000	2025	205,000
2016	130,000	2026	215,000
2017	140,000	2027	225,000
2018	145,000	2028	240,000
2019	150,000	2029	250,000
2020	160,000	2030	260,000
2021	170,000	2031	275,000

The Series 2011 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 Calhoun 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 Series 2011 Bonds when due.

The Series 2011 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 Series 2011 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 Series 2011 Bonds will not receive certificates representing their interests in the Series 2011 Bonds.

Pursuant to Chapter 13, Article 1, of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Series 2011 Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Series 2011 Bonds will be payable on December 1, 2011 and semiannually thereafter (each June 1 and December 1) in each year until maturity. The principal of and interest on the Series 2011 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 Series 2011 Bonds.

The Board has designated the Series 2011 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended ("the Code"). In the opinion of Bond Counsel, the Series 2011 Bonds are "qualified tax-exempt obligations" and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2011 Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2011 Bonds is deductible for federal income tax purposes.

Optional Redemption

The Series 2011 Bonds maturing on or after June 1, 2022, are subject to redemption on or after June 1, 2021, 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 Series 2011 Bonds and the amounts thereof to be redeemed, provided that the Series 2011 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 Series 2011 Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Series 2011 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 Series 2011 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 Series 2011 Bonds having been deposited, the Series 2011 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 Series 2011 Bonds shall cease to bear interest.

Insurance at Bidder's Option

If the Series 2011 Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof, 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 Series 2011 Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Series 2011 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 Series 2011 Bonds.

Terms of Sale

Bidders may only bid to purchase all of the Series 2011 Bonds. Each proposal must state the amount bid for the Series 2011 Bonds, not less than $3,560,000 or greater than 105% of the par value of the Series 2011 Bonds, and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Series 2011 Bonds are to bear, but must <u>not</u> state:

(a) any interest rate which is in excess of 6.50% per annum,

(b) more than one interest rate for any Series 2011 Bonds having like maturity, and

(c) any interest rate for Series 2011 Bonds which exceeds the interest rate stated in such proposal for any other Series 2011 Bonds by more than three percent (3%).

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.

Award

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 Series 2011 Bonds at the lowest true interest cost ("TIC"). For the purpose of determining the successful bidder, the true interest cost (TIC) will be the annual interest rate based on a 360-day year or twelve-30 day months, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Series 2011 Bonds to the date of delivery of the Bonds, results in an amount equal to the bid price for the Series 2011 Bonds. If there is more than one such proposal making such offer at the same lowest cost, the Series 2011 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 TIC.

The Board reserves the right to reject any or all bids and to reject any bid not complying with this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid.

Good Faith Deposit

A good faith deposit in the amount of $71,200 (the "Good Faith Deposit") is required in connection with the sale of the Series 2011 Bonds. The Good Faith Deposit may be provided for by (i) a certified, bank cashier's, treasurer's or official check drawn upon or certified by a responsible banking institution and made payable to the order of the "The Board of Education of Calhoun County, West Virginia", delivered at or prior to the time of bid, or (ii) a federal funds wire transfer to be submitted to the Board by the successful bidder not later than 3:00 P.M., Eastern Standard Time, on the Date of Sale (the "Wire Transfer Deadline") as set forth below under "Wire Transfers". The Good Faith Deposit of the successful bidder will be collected and the proceeds thereof retained by the Board to be applied in partial payment of the Series 2011 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages. Checks of unsuccessful bidders will be returned promptly after the Series 2011 Bonds are awarded to the successful bidder.

If the successful bidder chooses to deliver its Good Faith Deposit by federal funds wire transfer, the Board will distribute wiring instructions for the Good Faith Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Good Faith Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Series 2011 Bonds to the successful bidder may be cancelled by the Board in its discretion without any financial liability of the Board to the successful bidder or any limitation whatsoever on the Board's right to sell the Series 2011 Bonds to a different purchaser upon such terms and conditions as the Board shall deem appropriate.

Certificate of Winning Bidder

The successful bidder will be required to provide to the Financial Advisor by facsimile transmission to 304.346.1985 within one-half (½) hour after the verbal award of the Series 2011 Bonds the initial offering price/yields of the Series 2011 Bonds to the public (excluding bond houses and brokers). The successful bidder also must submit to the Board an underwriter's certificate in the form attached hereto as Exhibit A (the "Underwriter's Certificate"), the form of which has been approved by Bond Counsel, prior to the delivery of the Series 2011 Bonds. By submitting its bid, each bidder agrees that, if it is awarded the Series 2011 Bonds, it will either retain the Series 2011 Bonds as a long term investment for its own account or make a bona fide public offering of the Series 2011 Bonds of each maturity to the public after the award at an initial offering price as stipulated herein. It shall be a condition of the Board's obligation to deliver the Series 2011 Bonds that the successful bidder provide documentation as to its compliance with such requirements for purposes of the Internal Revenue Code of 1986, as amended, in form and substance satisfactory to Bond Counsel, including but not limited to the Underwriter's Certificate.

Delivery of the Series 2011 Bonds

The Series 2011 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 Calhoun, West Virginia". It is expected that the Series 2011 Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about July 21, 2011, 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.

Opinions of Bond Counsel

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 2011 Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2011 Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Series 2011 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 the enforceability of rights or remedies with respect to the Series 2011 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 Series 2011 Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Series 2011 Bonds, including (i) a certificate dated the date of delivery of the Series 2011 Bonds, stating that there is no litigation pending or threatened affecting the validity of the Series 2011 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 Series 2011 Bonds, (ii) a certificate dated the date of delivery of the Series 2011 Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Series 2011 Bonds and at all times subsequent thereto up to and including the time of delivery of the Series 2011 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 Series 2011 Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 Bonds and investment earnings thereon on certain specified purposes. The Series 2011 Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Series 2011 Bonds are binding obligations of the Board and are incontestable.

Final Official Statement

Within seven (7) business days after the award of the Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 Bonds, the successful bidder will also be furnished, without cost, up to 125 copies of the Official Statement (and any amendment or supplement thereto).

CUSIP

It is anticipated that CUSIP identification numbers will be printed on the Series 2011 Bonds, but neither the failure to print such numbers on any Series 2011 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 Series 2011 Bonds in accordance with terms of this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Series 2011 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 CALHOUN

By: Roger D. Propst
Title: Superintendent, The Board of Education of the County of Calhoun

DATE: June 23, 2011

Crews & Associates, Inc. - Little Rock , AR's Bid

PARITY

Calhoun Co BOE
$3,560,000 Public School Bonds, Series 2011

For the aggregate principal amount of $3,560,000.00, we will pay you $3,560,469.35, 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 %
06/01/2012	80M	3.2500
06/01/2013	115M	3.2500
06/01/2014	120M	3.2500
06/01/2015	125M	3.2500
06/01/2016	130M	3.2500
06/01/2017	140M	3.2500
06/01/2018	145M	3.2500
06/01/2019	150M	3.2500
06/01/2020	160M	3.2500
06/01/2021	170M	3.2500
06/01/2022	175M	3.2500
06/01/2023	185M	3.4000
06/01/2024	195M	3.6000
06/01/2025	205M	3.7500
06/01/2026	215M	3.8500
06/01/2027	225M	3.9000
06/01/2028	240M	4.0000
06/01/2029	250M	4.1000
06/01/2030	260M	4.1500
06/01/2031	275M	4.2000

Total Interest Cost:	$1,627,727.08
Premium:	$469.35
Net Interest Cost:	$1,627,257.73
TIC:	3.765426

Time Last Bid Received On:07/07/2011 11:44:15 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: Crews & Associates, Inc., Little Rock , AR
Contact: John Compton
Title:
Telephone:501-907-2025
Fax: 501-907-4067

Issuer Name: The Board of Education of the County of Calhoun

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

Bid Results

Calhoun Co BOE
$3,560,000 Public School Bonds, Series 2011

The following bids were submitted using ***PARITY***® and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
☐	Crews & Associates, Inc.	3.765426
☐	Robert W. Baird & Co., Inc.	3.923094

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 21st day of July, 2011, by and between THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN, the governing body of the Calhoun 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 $3,560,000 aggregate principal amount of Public School Bonds, Series 2011, in fully registered form (the "Bonds"), pursuant to a Resolution and Order adopted April 11, 2011 (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 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:

1. 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.

2. 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.

3. 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 it as a result of any loss by the registered owner of any Bond if payments of principal or interest are not made when due if such failure is caused by a lack of funds being advanced to the Paying Agent as required under paragraph 5 of this Agreement.

4. 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.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar; provided, the Registrar shall have no duty or responsibility for making any payment of interest or principal to the registered owner of any Bond, as required in paragraphs 4 and 9 of the Resolution. In the event of any conflict between the terms of this Registrar's Agreement and the Resolution the terms of the Resolution shall govern.

6. 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.

7. 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 Calhoun County 540 Alan B. Mollohan Drive Mt. Zion, WV 26151
REGISTRAR:	United Bank, Inc. 500 Virginia Street, East Charleston, WV 25301 Attention: Trust Department

8. 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 CALHOUN and UNITED BANK, INC. have caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day, month and year first above-written.

THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

By: _____
President

UNITED BANK, INC.

By: _____
Vice President

COPY

LAW OFFICES
GOODWIN & GOODWIN, LLP
300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678

P. O. BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107

TELEPHONE (304) 346-7000
TELECOPIER (304) 344-9692

www.goodwingoodwin.com

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
(304) 485-2345

P.O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

July 19, 2011

Ms. Sara Boardman, Executive Director
West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401
Charleston, WV 25301

Re: $3,560,000 The Board of Education of the County of Calhoun
Public School Bonds, Series 2011

Dear Sara:

Enclosed please find the New Issue Report Form that has been prepared in connection with the above-referenced transaction and sent to you for filing in your office in regard to the same. Upon completion of the transcript, we will forward a copy to you for your reference. In the meantime, if you have any questions concerning this transaction, please feel free to contact me.

Sincerely yours,

Bill

William K. Bragg, Jr.

WKB/aks
Enclosure

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street, Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM
Date of Report: July 20, 2011

ISSUE: Calhoun County Board of Education
Public School Bonds, Series 2011
ADDRESS: 540 Alan B. Mollohan Drive
Mt. Zion, WV 26151 COUNTY: Calhoun
PURPOSE: New Money X
OF ISSUE: Refunding ___ Refunds issue dated: N/A
ISSUE DATE: July 21, 2011 CLOSING DATE: July 21, 2011
ISSUE AMOUNT: $3,560,000 RATE: 3.765426%
1ST DEBT SERVICE DUE: December 1, 2011 1ST PRINCIPAL DUE: July 1, 2012
1ST DEBT SERVICE AMOUNT: $46,697.08 PAYING AGENT: Municipal Bond Commission

---

BOND COUNSEL: Goodwin & Goodwin, LLP
Contact Person: W.K. Bragg, Jr.
Phone: (304) 346-7000

REGISTRAR: United Bank, Inc.
Contact Person: Kathy Smith
Phone: (304) 348-8427

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Roger D. Propst
Position: Superintendent
Phone: (304) 354-7011 Ext. 17

FINANCIAL ADVISOR: Raymond James & Associates, Inc.
Contact Person: Marie Prezioso
Phone: (304) 346-1984

ISSUER'S COUNSEL : Bowles Rice McDavid Graff & Love LLP
Contact Person: Edward D. McDevitt
Phone: (304) 347-1711

----------DEPOSITS TO MBC AT CLOSE:----------

___ Accrued Interest: $0
___ Capitalized Interest: $0
___ Wire ___ Reserve Account: $0
___ Check ___ Other: _____ $_____

----------REFUNDS & TRANSFERS BY MBC AT CLOSE:----------

___ To Escrow Trustee: $___N/A
By ___ Wire ___ To Issuer: $___N/A
___ Check ___ To Cons. Invest. Fund:$___N/A
___ IGT ___ Other: _____ $_____

Notes: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS
REQUIRED:_____
TRANSFERS
REQUIRED:_____

LAW OFFICES
GOODWIN & GOODWIN, LLP
300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678

P. O. BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107

TELEPHONE (304) 346-7000
TELECOPIER (304) 344-9692

www.goodwingoodwin.com

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
(304) 485-2345

P.O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

COPY

June 20, 2011

Via Federal Express
Ms. Patricia Singletary
The Depository Trust Company
Interface Underwriting Department
55 Water Street, 1st Floor South
New York, New York 10041

Re: $3,560,000 The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011

Dear Ms. Singletary:

Enclosed please find two original copies of the DTC Letter of Representations for the above-referenced issue for execution as Received and Accepted by The Depository Trust Company. Upon execution of these copies, please return one original to me while retaining an original copy for your files. We expect to deliver the original bonds to United Bank, Inc., FAST Agent 2719.

Thank you for your cooperation in this matter.

Sincerely yours,

Bill Bragg

William K. Bragg, Jr.

WKB/aks
Enclosures
cc: Kathy Smith, United Bank

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 Calhoun, West Virginia

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

June 7, 2011

(Date)

Attention: Underwriting Department
The Depository Trust Company
55 Water Street, 1SL
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.)**

~~[XXXXXXXXXX]~~ [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.

Very truly yours,

The Board of Education of the County of Calhoun, West Virginia

(Issuer)

By: _____

(Authorized Officer's Signature)

Roger D. Propst

(Print Name)

540 Alan B. Mollohan Drive

(Street Address)

Mt. Zion	WV	USA	26151
(City)	(State)	(Country)	(Zip Code)

(304) 354-7011 Ext. 17

(Phone Number)

rpropst@access.k12.wv.us

(E-mail Address)

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

SCHEDULE A
(To Blanket Issuer Letter of Representations)

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** and 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.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN (the "Board"), and UNITED BANK, INC., Charleston, West Virginia, (the "Dissemination Agent"), in connection with the issuance of $3,560,000, The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds");

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

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the Board as of the date set forth below, for the benefit of the holders and owners (the "Bondholders") of the Series 2011 Bonds and in order to assist the Participating Underwriters (as defined below) in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only obligated person (as defined in the Rule) with respect to the Series 2011 Bonds at the time the Series 2011 Bonds are delivered to the Participating Underwriters and that no other person is expected to become an obligated person at any time after the issuance of the Series 2011 Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited consolidated financial statements of the Board, prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the U.S. Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Material Event" means the occurrence of any of the events with respect to the Series 2011 Bonds set forth in Exhibit II.

"Material Events Disclosure" means dissemination of a notice of a Material Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriters" means each broker, dealer or municipal securities dealer acting as an Underwriter in any primary offering of the Series 2011 Bonds.

"Prescribed Form" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of West Virginia.

"Undertaking" means the obligations of the Board pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the final maturity of the Series 2011 Bonds is 129748 BL2. The final Official Statement relating to the Series 2011 Bonds is dated July 7, 2011 (the "Final Official Statement").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I). The Board may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 270 days of the completion of the Board's fiscal year. However, if the Audited Financial Statements are not available at that time, they will be provided within 10 business days of receipt by the Board.

The Board is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2011 Bonds or defeasance of any Series 2011 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2011 Bonds pursuant to the Indenture. From and after the Effective Date, the Board is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty to Update EMMA/MSRB. The Board shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the Board to Provide Information. The Board shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Agreement, the Bondholder of any Bond may seek specific performance by court order to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Series 2011 Bonds or any agreement related thereto, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Board may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2011 Bonds, as determined either by parties unaffiliated with the Board or by an approving vote of the Bondholders of the Series 2011 Bonds holding a majority of the aggregate principal amount of the Series 2011 Bonds (excluding Series 2011 Bonds held by or on behalf of the Board or its affiliates) pursuant to the terms of the Bond Order at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the Board shall be terminated hereunder when the Board shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2011 Bonds. The Board shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Board has appointed United Bank, Inc., Charleston, West Virginia, as Dissemination Agent in connection with the issuance of the Series 2011 Bonds to assist the Board in carrying out its obligations under this Agreement. The Board may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Board chooses to include any information from any document or

notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Board shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Board, the Dissemination Agent and the Bondholders of the Series 2011 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Board shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The Board represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State.

Dated: July 21, 2011.

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

By: Roger D. Propst
Title: Secretary

UNITED BANK, INC.

By: [illegible]
Title: Vice President

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data exclusive of Audited Financial Statements of the type appearing in the Final Official Statement or incorporated by reference in the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Board shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of the Board's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available within such 270 days or when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Board.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the Board, the Board will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2011 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Nonpayment-related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

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

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

7. Modifications to rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the Board*

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

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

---

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

EXHIBIT III

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: $3,560,000 Public School Bonds, Series 2011

Date of Bond Issue: July 21, 2011

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Financial Information with respect to the above-named Series 2011 Bonds as required by Section 4 of the Continuing Disclosure Agreement dated July 21, 2011, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____.

Dated: _____

UNITED BANK, INC.

By: _____

Title: _____

cc: [Board]

RAYMOND JAMES®

CLOSING MEMORANDUM

TO:

Calhoun County Board of Education
Mr. Roger D. Propst, Superintendent
Phone: 304/354-7011 ext. 17
e-mail: rpropst@access.k12.wv.us
Ms. Patty Riddle
Phone: 304/354-7011 ext. 21
e-mail: psriddle@access.k12.wv.us

Goodwin & Goodwin, LLP
William "Bill" K. Bragg, Jr.
Phone: 304/346-7000
Fax: 304/344-9692
e-mail: wkg@goodwingoodwin.com

State Treasurer's Office
Diane Holcomb
e-mail: diane.holcomb@wvsto.com
Phone: 304/340-1573
Fax: 304/340-1507

West Virginia Municipal Bond Commission
Sara Boardman, Executive Director
Phone: 304/558-3971
Fax: 304/558-1280
e-mail: sboardman@state.wv.us

United Bank, Inc.
Kathy Smith
Phone: 304/348-8427
Fax: 304/343-3058
e-mail: Kathy.smith@ubsi-wv.com

Crews & Associates, Inc
Pam James
501/978-6326
pjames@crewsfs.com

FROM: Marie L. Prezioso
e-mail: Marie.Prezioso@RaymondJames.com
Phone: 304/346-1984
Fax: 304/346-1985

COPY: e-mail: Joseph.Nassif@RaymondJames.com

DATE: July 19, 2011

RE: $3,560,000 The Board of Education of the County of Calhoun (West Virginia), Public School Bonds, Series 2011

On Thursday, July 21, 2011, Crews & Associates, Inc will wire $3,489,269.35 to the account of the Calhoun County Board of Education (wiring instructions follow).

	$3,560.000	Total Principal of Bonds
Plus	$ 469.35	Premium
Less	$ 71,200	Good Faith Deposit
	$3,489,269.35	

Wiring instructions:

Crews & Associates, Inc. will wire $3,489,269.35

To:	BB&T, Charleston, WV
ABA#:	051503394
Credit:	State of West Virginia
Account #:	5270517317
For further Credit to:	Calhoun County Board of Education
Contact Person:	Michael Holtsclow
	304/348-7078

WE ARE CLOSING DTC FAST

Rec'd. 5/18/11 cc: Bond file

CALHOUN COUNTY SCHOOLS

Office of the Superintendent
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151
Telephone (304) 354-7011
Fax (304) 354-7420

May 18, 2011

Dr. Mark A. Manchin
Executive Director
School Building Authority of West Virginia
2300 Kanawha Boulevard East
Charleston, WV 25311-2306

Dear Dr. Manchin:

I am in receipt of a $3,596,162 needs grant and a $2,000,000 emergency grant to partner with Calhoun county in constructing a new Arnoldsburg Elementary School. As suggested, we have reviewed the Design Build Schedule in the documents with our architect, and request the following adjustments to the schedule:

Phase	Intermediate	SBA Milestones
1. Planning		August 4, 2011
2. Schematic Design		October 4, 2011
3. Design Development		February 6, 2012
4. Constructability Review/Cost Estimating	February 27, 2012	
5. Bidding document including site work		May 8, 2012
6. Constructability Review/Cost Estimating	June 11, 2012	
7. Bidding		July 12, 2012
8. Review of Bids	July 20, 2012	
9. Bid Award		July 23, 2012
10. Construction		August 9, 2013 or as bid by contractor

Respectfully,

Roger D. Propst

Roger D. Propst
Superintendent of Schools

cc: BOE Members
Ted Shriver, Williamson and Shriver
Joyce Vangilder, SBA

School Building Authority of West Virginia
Dr. Mark A. Manchin, Executive Director

2300 Kanawha Boulevard, East • Charleston, West Virginia 25311-2306 • Office Number (304) 558-2541 • FAX Number (304) 558-2539

May 1, 2011

Mr. Roger Propst
Superintendent
Calhoun County Schools
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151-8500

Dear Mr. Propst:

Congratulations! The School Building Authority of West Virginia on April 11, 2011, approved a School Construction Fund Grant for Calhoun County in the amount of $3,596,162. The grant was awarded for a new Arnoldsburg Elementary School. Funds from this grant are for the project described in the enclosed Grant Agreement and not to be expended for any other purpose.

If you have not already done so, I encourage you to immediately begin the process to hire a design professional to assist you with the project. This will enable you to move smoothly and quickly to the planning and design phase of your project. This schedule must be followed to avoid delay costs that will ultimately raise the county's financial responsibility for the project. Please make note of the specific dates on your Project Development Schedule (Exhibit A-2) and provide your Architect/Engineer a copy of this schedule for their information and timely development of your project.

Attached you will find your grant contract and a project development schedule (see Exhibit A-2 attachment). Please sign and return the contract to the SBA office as soon as possible. Once the contract is signed, we will transfer funds into your account at United National Bank. Funds cannot be transferred without the signed contract returned to the SBA.

We are pleased that you will be receiving sufficient funds to address your project. If you have questions, please do not hesitate to call on me.

Sincerely,

Mark

Dr. Mark A. Manchin
Executive Director

MAM:kc
Attachments/Enclosure
f:\countyfiles\calhoun042011g rantltr.wpd

CALHOUN COUNTY
PROJECT DEVELOPMENT SCHEDULE
Exhibit A-2

High School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	21
Total time	**36**

Middle School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning and schematic design (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	18
Total time	**33**

Elementary School/Design Build Schedule **New Arnoldsburg Elementary School**

Milestone	Timeframe (months)	
1. Planning (1)	August 4, 2011	(3 months)
2. Schematic design	October 4, 2011	(2 months)
3. Design development and technology plan	February 6, 2012	(4 months)
4. Bidding documents	May 8, 2012	(3 months)
5. Bidding and contract award	June 8, 2012	(1 month)
6. Construction (2)	August 9, 2013	(14 months)
Total time	**28**	

Note (1) The project development schedule begins with the SBA notice of the grant award. It is imperative that the project move forward based on the schedule provided. To meet the critical timelines you will be required to have all planning, design, and when applicable, construction mangement professionals under contract and the educational program of space completed within 90 days of the grant notice. The scope and complexity of each project will be considered and the development schedule will be adjusted to reflect greater or less planning and design time as determined by the SBA. Submission requirements for items 1-4 are provided on SBA Form 175 A-E in the SBA Policy and Procedure Manual. If the project is delayed at any phase at the county level as a result of timelines not being met, the SBA will require the the grant recipients to pay the delay costs based on the current annual construction inflation rate, prorated over the number of months the project is delayed. Design Building project schedules will be adjusted to comply with the requirements of code and SBA Design/Build Policy. Major addition and renovation project schedules will be established jointly with the grant recipient project architect or design builder and builder and the SBA based on the size and complexity of the project.

Note (2) Unless approved by the SBA, the construction timeline for a lump sum contract will be dictated by the completion days provided by the contractors within the bid. The construction timeframes indicated above are approximate.

Note (3) The construction timeline substantial completion days for multi-prime contract construction method will be established jointly with the cost analyst, project architect and the SBA for general trades, plumbing, HVAC, electrical and sprinkler contracts. The construction timeframes indicated above are approximate.

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

GRANT CONTRACT UP TO

THE AMOUNT OF $3,596,162.00

WITH THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

This Grant Contract (the "Contract") is entered into by and between the School Building Authority of West Virginia (the "Authority") and The Board of Education of the County of Calhoun (the "County Board") this 11th day of April, 2011.

RECITALS

A. The Authority was established pursuant to the Constitution and laws of the State of West Virginia, including, particularly, Chapter 18, Article 9D of the Code of West Virginia, 1931, as amended (the "Code") (the "Act") to provide available funds (as described in Section 18-9D-6 of the Act) to finance the costs of acquisition, construction, renovation, repair and safety upgrading of facilities for public school purposes in the State of West Virginia (the "State").

B. In accordance with the Act and the Program Guidelines of the Authority, and at the request of the County Board, the Authority has determined to grant funds to the County Board for the purpose of financing the costs of the projects described in Exhibit A-1 attached hereto.

C. This Contract provides the terms and conditions upon which the Authority agrees to make and the County Board agrees to accept such grant.

Section 1. Subject to the terms and conditions described herein, the Authority hereby grants to the County Board, funds up to $3,596,162.00 (the "Grant"). The expiration date of this funding grant shall be April 10, 2014.

Section 2. The Authority shall be granted the privilege to act as co-owner of properties during construction or renovation of the facility without the liability of ownership.

Section 3. Upon receipt of evidence satisfactory to the Authority that the County Board is prepared to commence expenditures of the proceeds of the Grant during the then current fiscal year, the proceeds of the Grant shall be transferred from the Authority's School Construction Fund held by the West Virginia State Treasurer to United National Bank (the "Depository") and deposited in a fund to be known as the "School Building Authority of West Virginia Project Fund" (the "Project Fund"). The proceeds of the Grant shall be held in a separate subaccount of the Project Fund in the name of the County Board (the "County Account"). The County Board hereby authorizes the Depository to invest amounts on deposit in the County Account in investment securities at the direction of the Authority. All interest earned on such will inure to the benefit of the Authority and will not be available for withdrawal by the County Board.

Section 4. Amounts in the County Account (not including investment earnings therein), may be withdrawn by the County Board at any time upon submitting a Requisition in the form attached hereto as Exhibit B to the Depository, with a copy submitted at the same time to the Authority. The Authority shall have the right to request additional information and/or documentation from the County Board with respect to any such Requisition. Disbursement shall not be made until the Authority approves such Requisition.

Section 5. The County Board hereby convenants and agrees to use the proceeds of the Grant only for approved expenditures with respect to the specific projects described on Exhibit A-1 unless it receives the prior written consent of the Authority. The County Board agrees not to submit a requisition for expenditures which will not be incurred with respect to the project. The County Board agrees to cause said project to be constructed within the total sums available to it, including said grant, in accordance with the plan submitted by the county to the Authority for funding as described in Exhibit A-1 and in accordance with the regulations, guidelines and direction of the Authority.

Section 6. The County Board agrees that the funds it receives as a Grant will not be used by the maintenance department of the County Board for the purpose of purchasing materials and equipment needed to improve and maintain existing facilities.

Section 7. In accordance with the mandates of the Act and regulations promulgated thereunder (the "Code"), the County Board covenants and agrees to expend all of the proceeds of the Grant by it's designated expiration date as set forth in Paragraph C., Section 1., and in accordance with Exhibit A-2 Project Development Schedule of this Contract. If the County Board fails to expend the entire Grant by such date, the County Board hereby authorizes and directs the Authority to withdraw and the Depository to pay to the Authority any amounts remaining on deposit in the County Account five business days after the above referenced expiration dates.

Section 8. The County Board hereby covenants and agrees that it shall not proceed with the building design for the school without first securing a clear and free title to the property where the SBA funded facility is to be constructed, or without securing a right-of-entry as result of a condemnation proceeding initiated to secure the site where the SBA funded school is to be constructed.

Section 9. The County Board hereby covenants and agrees that it will submit the educational specifications, as well as design plans and specifications as per School Building Authority's Policy and Procedures Handbook for the erection and/or renovation of school buildings to the Authority for approval. Such plans and specifications shall comply with all requirements set forth in the Program Guidelines. Approval of plans and specifications for final construction will be subject to evaluation of the plan and the proposed site by the Authority.

Section 10. The County Board agrees to cooperate with the SBA with regards to issuing contracts for services of Construction Analyst (CA) or Construction Managers (CM) assigned to the project by the SBA. The County Board further agrees to include language within the Standard Form of Agreement between the Owner and Architect that requires the Architect to cooperate with the Construction Analyst (CA) or Construction Manager (CM) with regards to their services in accordance with the AIA Construction Manager contracts and the SBA Task Order Agreement for Construction Analyst (CA) services.

Section 11. The County Board aggress to include the SBA Project Development Schedule (PDS) in the Architect/Engineer professional service contract and to require the Architect/Engineer to comply with the timelines established in the PDS.

Section 12. The County Board shall award bids only to properly licensed contractors as per the state Tax Department regulations. The County Board of Education shall require written evidence from all prime contractors that all sub contractors and all sub-sub contractors performing work on the approved project shall be covered by all required bonding.

Section 13. The County Board agrees to include in its contracts relating to projects receiving funds from the Authority items set forth in Appendice K of the School Building Authority Policy and Procedure Manual.

Section 14. Should the desired building design costs exceed the total construction funds available, the county must reduce the scope of the project and/or value engineer the facility to the satisfaction of the Authority prior to proceeding to the next project development phase. Failure to do so may be interpreted by the SBA as a Breach of Contract resulting in negation of the grant agreement between the local board and the SBA.

Section 15. The County Board shall employ a "Clerk-of-the-Works" to monitor all construction projects, unless otherwise waived by the Authority. The "Clerk-of-the Works" shall <u>not</u> be a regular employee of the county board. The County Board shall use its best efforts to provide funds for the payment of such "Clerk-of-the-Works" by negotiating a reduction in architectural fees relating to such project. The grant recipient may, at the discretion of the Authority's Construction Committee, be required to proceed with the construction project using an Authority approved design, construction schedule and construction management method. Requirement of a Clerk-of-the-Works will be waived for counties using construction management.

Section 16. The County Board shall retain an architect for renovations, additions and/or new construction projects as required by Chapter 5G of the WV Code or as required by the School Building Authority.

(i) The County Board agrees to retain architectural services using the latest Edition AIA Standard Form of Contract between Owner and Architect approved School Building Authority Architectural/ Engineering Service Agreement. The County Board agrees that any percentage architectural fees shall be based upon the bid cost of the project, excluding cost overruns and change orders in accordance with Section I of the SBA Guidelines.

(ii) The County Board agrees to provide language within the Architect's design contract that requires the Architect to design the project within the funding available. If the desired educational programming exceeds the SBA programming standards, the Owner and Architect shall agree to resolve the programming differences prior to submission of the educational program or design to the SBA. Additionally, should the bids received exceed the established project budget, the architect shall be required to revise the contract documents and re-bid the project at no additional cost or fee to the County Board.

(iii) The County Board agrees to contractually require the architectural firm to revise plans without additional cost to the County Board when the preliminary plans provided for review do not meet the requirements of the Authority, State Fire Marshal or any other regulatory agency.

(iv) All construction change proposal requests, change directives or construction change orders shall be submitted to the Authority for review and approval. Changes shall be submitted to the Authority in an AIA document format. Any project change that is not approved by the Authority which results in an encumbrance of additional project funds regardless of the source, may at the option of the Authority, cause termination of this grant. The County Board, at the demand of the Authority, will assume responsibility of existing contracts, forfeit the remaining grant funds and repay the Authority the full amount of grant funds expended at the time of termination with interest accruing from the date of termination at the rate of six percent per annum.

(v) The project budget shall be amended to reflect any and all increases or decreases in the project finance plan. Funds from any and all sources shall be submitted in the form attached hereto as Exhibit C for review and approval by the Authority. No construction contract or change order may be executed by the Grantee until all sources of financing are identified and an updated Exhibit C is submitted and approved by the Authority.

Section 17. No educational facility shall be occupied without prior approval from the Authority and the appropriate state and county regulatory agencies. Because construction completion dates do not always coincide with educational schedules, the county agrees to complete and submit to the SBA with design development drawings, a viable contingency plan addressing how all affected students and staff will be housed should the new, additional or renovated facility not be available for occupation within the proposed time schedule.

Section 18. Should the possibility exist that the scheduled construction completion date negatively impact the county's ability to occupy the facility for the start of school, the county board agrees to develop and implement a contingency plan. This plan must address how all affected students and staff will be house should the new or renovated facility be unavailable at the beginning of the school term. Upon request by the SBA, the contingency plan must be submitted for review and approval along with the design development submission requirements.

Section 19. The County Board hereby convenants and agrees to have county maintenance and custodial staff trained on-site by the State Department of Education HVAC technicians on all new HVAC equipment and controls. The county board shall contact the Department of Education Office of School Facilities immediately following the installation of new HVAC equipment for training and for follow-up training six months after the initial training to insure proper maintenance and operation of the new HVAC equipment and controls during heating and cooling seasons in the first year of operation. This training shall be in addition to the contractor training provided at the conclusion of the project. The SBA shall be notified of the training schedule and the county agrees to schedule additional training, if in the opinion of the SBA, additional training is required in order for all key maintenance and custodial personnel to become efficient in the maintenance and operation of the new HVAC equipment and controls.

Section 20. The County Board agrees to keep the project in good repair and working order after completion and execution of this grant and accepts the terms and conditions identified in Exhibit D of this agreement. The County Board acknowledges that the Authority may inspect any project from time to time after completion, and if the Authority determines that a project is not being maintained in such condition, the State Board of Education may require that state aid monies be used to provide improvements or repairs to such Project.

Section 21. Any funds designated in this contract are provided in accordance with the details of the project as presented in the Comprehensive Educational Facilities Plan approved by the State Board of Education and the School Building Authority for the County Board. Failure to develop the project in accordance with the approved plan entails a misrepresentation that may, at the discretion of the Authority, void this contract. These details include designated utilization of the facility, instructional improvements, cost savings measures, health and safety improvements, and the initiation of any student/teacher services so indicated in the plan.

Section 22. The County Board of Education understands that it must conduct any school closure hearings that may be required by this project and obtain State Board of Education approval of such closures prior to submitting any invoice to the SBA for consideration of payment and that the SBA will not recognize any invoice prior to such action by the County and State Boards of Education.

Section 23. The County Board agrees that the Authority will maintain a 5% retainage based on the total construction cost of the project until all construction contracts are complete and an approved Certificate of Project Completion is executed. To avoid placing the County at risk, it is recommended that the County withhold final payment on this project until such time.

Section 24. The County Board agrees that funds for payment of all requisitions shall be made available from this grant in the proportion of state to local or other funds dedicated to this project. Initial payments shall be made based on the following schedule based on the estimated percentage of State to local funds shown on Exhibit A-1:

Responsible Party	Percentage of Funds Submitted for Payment
Authority	65.20%
County Board	34.80%
	100.00%

Section 25. In order to utilize state funds expeditiously in accordance with The Code and to avoid extraneous costs associated with inflation that occurs in extraordinary design and/or finance planning and construction delays, this grant is conditioned upon the representation of the County Board, by the affixed signature of their President, that they will meet the planning and construction schedule outlined in Exhibit A-2 of this contract. Upon failure to comply with such schedule made in Exhibit A-2 of this agreement, the County Board shall be in default of this agreement and subject to the default provision set forth in this instrument.

Section 26. Upon any default under its representations of the agreements set forth in this instrument, or in the instruments incident to the awarding of the grant, Grantee, at the option and demand of Grantor, will repay to grantor forthwith the original amount of the grant received with the interest accruing thereon from the date of default at yield rate of the bonds from which the grant was made or at the current prime interest rate for grants made from Pay-As-You-Go funds. Default by the Grantee will constitute termination of the grant thereby causing cancellation of financial assistance by the School Building Authority under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it of previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulation under which this grant is made.

Section 27. This Grant Contract shall become effective as of the date first written and upon your mutual acceptance thereof.

FOR THE SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

By _____
Executive Director

Accepted and agreed to as of the date first above written:
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

By _____
Superintendent

By _____
President, County Board of Education

SBA 125
Revised 03/2/11
f:\sbmainserver1\karen\needcontract.wpd

f:\countyfiles\calhoun04201 1needsgrant.wpd

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
PROJECT DESCRIPTION AND FINANCE PLAN
EXHIBIT A-1

COUNTY: Calhoun

DATE OF GRANT: April 11, 2011

PROJECT NUMBER, SCHOOL FACILITY AND ESTIMATED COST: 14-201-2012 New Arnoldsburg Elementary School $8,583,520.00

DESCRIPTION OF PROJECT: Construction of a new Arnoldsburg Elementary School. The existing elementary school is located in the floodplain and has been flooded numerous times in the past. At the completion of this project, the existing structure will no longer be used by the students or Calhoun County Board of Education employees.

The Grantee will be required to employ the services of an Authority approved Construction Analyst for this project.

REVENUE SOURCES:

	Amount	Percentage
School Construction Fund Allocation - FY2012	**3,596,162.00**	**41.90%**
Emergency Fund Allocation - FY2012	2,000,000.00	23.30%
Local Funds	2,987,358.00	34.80%
TOTAL FINANCE PLAN	$8,583,520.00	100.00%

CALHOUN COUNTY
PROJECT DEVELOPMENT SCHEDULE
Exhibit A-2

High School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	21
Total time	**36**

Middle School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning and schematic design (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	18
Total time	**33**

Elementary School/Design Build Schedule New Arnoldsburg Elementary School

Milestone	Timeframe (months)	
1. Planning (1)	August 4, 2011	(3 months)
2. Schematic design	October 4, 2011	(2 months)
3. Design development and technology plan	February 6, 2012	(4 months)
4. Bidding documents	May 8, 2012	(3 months)
5. Bidding and contract award	June 8, 2012	(1 month)
6. Construction (2)	August 9, 2013	(14 months)
Total time	**28**	

Note (1) The project development schedule begins with the SBA notice of the grant award. It is imperative that the project move forward based on the schedule provided. To meet the critical timelines you will be required to have all planning, design, and when applicable, construction mangement professionals under contract and the educational program of space completed within 90 days of the grant notice. The scope and complexity of each project will be considered and the development schedule will be adjusted to reflect greater or less planning and design time as determined by the SBA. Submission requirements for items 1-4 are provided on SBA Form 176 A-E in the SBA Policy and Procedure Manual. If the project is delayed at any phase at the county level as a result of timelines not being met, the SBA will require the the grant recipients to pay the delay costs based on the current annual construction inflation rate, prorated over the number of months the project is delayed. Design Building project schedules will be adjusted to comply with the requirements of code and SBA Design/Build Policy. Major addition and renovation project schedules will be established jointly with the grant recipient project architect or design builder and builder and the SBA based on the size and complexity of the project.

Note (2) Unless approved by the SBA, the construction timeline for a lump sum contract will be dictated by the completion days provided by the contractors within the bid. The construction timeframes indicated above are approximate.

Note (3) The construction timeline substantial completion days for multi-prime contract construction method will be established jointly with the cost analyst, project architect and the SBA for general trades, plumbing, HVAC, electrical and sprinkler contracts. The construction timeframes indicated above are approximate.

2012

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

EXHIBIT B
REQUISITION FORM

COUNTY: _____ DATE: _____

SUBMIT TO:

United Bank
P.O. Box 393
Charleston, WV 25301-2135
Attention: Kathy Smith

SUBMIT TO:

School Building Authority of West Virginia
2300 Kanawha Boulevard, East
Charleston, WV 25311-2306
Attention: Garry Stewart

You are authorized to make the following disbursement from the School Building Authority of West Virginia Project Fund (the "Fund") maintained under that certain Depository Agreement dated February 15, 1990 by and between the School Building Authority of West Virginia and United National Bank, as Depository.

(1) County Account: _____

(2) Requisition Number: _____

(3) Name of School: _____

(4) SBA Project Number: _____

(5) Name and Address of Payee: _____
(Co. Bd. Of Ed. Or RESA) _____
_____

(6) Amount: _____
(Total all invoices)

A. The expense listed above has been incurred as a cost of a project identified in the Grant Contract, dated _____ by and between the School Building Authority of West Virginia and the undersigned county board.

B. A copy of the invoice relating to this payment and a description of the work, materials or equipment is attached. Such materials are not subject to any lien or security interest and such funds will not be used to satisfy such lien or security interest.

C. By affixing my signature, I certify that all requisitions from which payment was received the prior month have been paid to the vendor(s).

Dated this _____ day of _____, 20___.

THE BOARD OF EDUCATION OF
THE COUNTY OF _____

By_____
County Superintendent

Note: Requisitions must be received by United National Bank and the Authority on or prior to the 5th day of the month in which payment is required. No facsimile requisitions will be accepted for issue of payment.

SBA104A (Revised 10/26/94)

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
PROJECT FINANCE PLAN AMENDMENT FORM
EXHIBIT C

COUNTY: _____ DATE: _____

PROJECT DESCRIPTION: _____

Amended Project Finance Plan ☐ Final Project Finance Plan ☐

Description of Funding Sources:	Date of Availability	Construction Budget As Previously Approved by SBA	Increase (Decrease) in Project Funds	Current Construction Budget As Proposed By County BOE	Percentage of Total Funding
Original SBA Construction Fund Grant					
Supplemental SBA Grants Awarded					
Local Funding (Indicate Source):					
1.					
2.					
3.					
4.					
5.					
6.					
Other Funding (Indicate Source):					
1. DOH Reimbursement					
2. Federal Government Grant					
3.					
4.					
5.					
TOTAL PROJECT FINANCE PLAN		0.00	0.00	0.00	0.00%

A. We certify to the best of our knowledge and belief that the above information is correct. A copy of the Board of Education minutes approving this project finance plan change is attached for your reference.

_____ _____

County Board of Education President County Superintendent

THIS FORM MUST BE UPDATED EACH TIME THE PROJECT FINANCE PLAN IS ALTERED AND THE FINAL PROJECT COST MUST BE RECORDED ON THIS FORM AND ACCOMPANY THE FINAL REQUEST FOR PROJECT CLOSEOUT FUNDS.

exhibitc/revised4/27/01

BUILDING MAINTENANCE AND UPKEEP AGREEMENT
BETWEEN THE
CALHOUN COUNTY BOARD OF EDUCATION
AND
THE SCHOOL BUILDING AUTHORITY
OF WEST VIRGINIA
FOR
NEW ARNOLDSBURG ELEMENTARY SCHOOL
EXHIBIT D

West Virginia Code §18-9D-16 requires all county boards of education to implement a plan of regularly scheduled maintenance and preventive maintenance for all facilities within the county. School Building Authority (SBA) "Needs" based and "Major Improvement Plan" funding is contingent upon the implementation of this countywide plan. As a condition of this grant Calhoun County Board of Education (the County Board) must agree to the following in regards to this SBA funded project.

- The County Board will assign sufficient custodial personnel to this facility in order to provide a clean and healthful environment for students and staff.

- Custodial staff members will be provided sufficient training required to perform tasks assigned.

- Building maintenance staff members whose job responsibilities require them to perform maintenance on this facility will have sufficient training to allow them to successfully complete their duties assigned regarding building maintenance. The State Board of Education Office of Facilities (SDEOF) will provide technical training and support for the Heating/Ventilating and Air Conditioning (HVAC) Maintenance Plan.

- Annual funding will be provided from the county budget to support the maintenance and preventive maintenance plan for this facility. The SDEOF technical support staff will be utilized to assist with the creation of the HVAC preventive maintenance plan and its implementation.

Acceptance of SBA funding for this project represents a commitment by the county board of education to perform or cause to be performed the above maintenance and custodial duties for this project. An on-site inspection of this facility will be conducted annually by the SDE in accordance with West Virginia Code §18-9D-16h. Compliant and non-compliant standards will be identified and reported to the county and the SBA. The SBA will conduct follow-up visits and in cooperation with the county board of education initiate a plan of improvement. Failure to implement the maintenance and custodial care plan of improvement required to keep this facility clean and in good repair may cause a redirection of state aid funding by the SDEOF in an amount sufficient to cause this work to be contractually performed until such time as the county board staff has been properly trained to successfully perform the work.

Mod. 5/19/11
cc: R. Propst
P. Riddle
D. Pitts

School Building Authority of West Virginia
Dr. Mark A. Manchin, Executive Director

2300 Kanawha Boulevard, East • Charleston, West Virginia 25311-2306 • Office Number (304) 558-2541 • FAX Number (304) 558-2539

May 1, 2011

Mr. Roger Propst
Superintendent
Calhoun County Schools
540 Alan B. Mollohan Drive
Mt. Zion, WV 26151-8500

Dear Mr. Propst:

Congratulations! The School Building Authority of West Virginia on April 11, 2011, approved an Emergency Fund Grant for Calhoun County in the amount of $2,000,000. The grant was awarded for a new Arnoldsburg Elementary School. Funds from this grant are for the project described in the enclosed Grant Agreement and not to be expended for any other purpose.

If you have not already done so, I encourage you to immediately begin the process to hire a design professional to assist you with the project. This will enable you to move smoothly and quickly to the planning and design phase of your project. This schedule must be followed to avoid delay costs that will ultimately raise the county's financial responsibility for the project. Please make note of the specific dates on your Project Development Schedule (Exhibit A-2) and provide your Architect/Engineer a copy of this schedule for their information and timely development of your project.

Attached you will find your grant contract and a project development schedule (see Exhibit A-2 attachment). Please sign and return the contract to the SBA office as soon as possible. Once the contract is signed, we will transfer funds into your account at United National Bank. Funds cannot be transferred without the signed contract returned to the SBA.

We are pleased that you will be receiving sufficient funds to address your project. If you have questions, please do not hesitate to call on me.

Sincerely,

Mark

Dr. Mark A. Manchin
Executive Director

MAM:kc
Attachments/Enclosure
f:\countyfiles\calhoun042011emergencyg rantltr.wpd

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

GRANT CONTRACT UP TO

THE AMOUNT OF $3,596,162.00

WITH THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

This Grant Contract (the "Contract") is entered into by and between the School Building Authority of West Virginia (the "Authority") and The Board of Education of the County of Calhoun (the "County Board") this 11th day of April, 2011.

RECITALS

A. The Authority was established pursuant to the Constitution and laws of the State of West Virginia, including, particularly, Chapter 18, Article 9D of the Code of West Virginia, 1931, as amended (the "Code") (the "Act") to provide available funds (as described in Section 18-9D-6 of the Act) to finance the costs of acquisition, construction, renovation, repair and safety upgrading of facilities for public school purposes in the State of West Virginia (the "State").

B. In accordance with the Act and the Program Guidelines of the Authority, and at the request of the County Board, the Authority has determined to grant funds to the County Board for the purpose of financing the costs of the projects described in Exhibit A-1 attached hereto.

C. This Contract provides the terms and conditions upon which the Authority agrees to make and the County Board agrees to accept such grant.

Section 1. Subject to the terms and conditions described herein, the Authority hereby grants to the County Board, funds up to $3,596,162.00 (the "Grant"). The expiration date of this funding grant shall be April 10, 2014.

Section 2. The Authority shall be granted the privilege to act as co-owner of properties during construction or renovation of the facility without the liability of ownership.

Section 3. Upon receipt of evidence satisfactory to the Authority that the County Board is prepared to commence expenditures of the proceeds of the Grant during the then current fiscal year, the proceeds of the Grant shall be transferred from the Authority's School Construction Fund held by the West Virginia State Treasurer to United National Bank (the "Depository") and deposited in a fund to be known as the "School Building Authority of West Virginia Project Fund" (the "Project Fund"). The proceeds of the Grant shall be held in a separate subaccount of the Project Fund in the name of the County Board (the "County Account"). The County Board hereby authorizes the Depository to invest amounts on deposit in the County Account in investment securities at the direction of the Authority. All interest earned on such will inure to the benefit of the Authority and will not be available for withdrawal by the County Board.

Section 4. Amounts in the County Account (not including investment earnings therein), may be withdrawn by the County Board at any time upon submitting a Requisition in the form attached hereto as Exhibit B to the Depository, with a copy submitted at the same time to the Authority. The Authority shall have the right to request additional information and/or documentation from the County Board with respect to any such Requisition. Disbursement shall not be made until the Authority approves such Requisition.

Section 5. The County Board hereby convenants and agrees to use the proceeds of the Grant only for approved expenditures with respect to the specific projects described on Exhibit A-1 unless it receives the prior written consent of the Authority. The County Board agrees not to submit a requisition for expenditures which will not be incurred with respect to the project. The County Board agrees to cause said project to be constructed within the total sums available to it, including said grant, in accordance with the plan submitted by the county to the Authority for funding as described in Exhibit A-1 and in accordance with the regulations, guidelines and direction of the Authority.

Section 6. The County Board agrees that the funds it receives as a Grant will not be used by the maintenance department of the County Board for the purpose of purchasing materials and equipment needed to improve and maintain existing facilities.

Section 7. In accordance with the mandates of the Act and regulations promulgated thereunder (the "Code"), the County Board covenants and agrees to expend all of the proceeds of the Grant by it's designated expiration date as set forth in Paragraph C., Section 1., and in accordance with Exhibit A-2 Project Development Schedule of this Contract. If the County Board fails to expend the entire Grant by such date, the County Board hereby authorizes and directs the Authority to withdraw and the Depository to pay to the Authority any amounts remaining on deposit in the County Account five business days after the above referenced expiration dates.

Section 8. The County Board hereby covenants and agrees that it shall not proceed with the building design for the school without first securing a clear and free title to the property where the SBA funded facility is to be constructed, or without securing a right-of-entry as result of a condemnation proceeding initiated to secure the site where the SBA funded school is to be constructed.

Section 9. The County Board hereby covenants and agrees that it will submit the educational specifications, as well as design plans and specifications as per School Building Authority's Policy and Procedures Handbook for the erection and/or renovation of school buildings to the Authority for approval. Such plans and specifications shall comply with all requirements set forth in the Program Guidelines. Approval of plans and specifications for final construction will be subject to evaluation of the plan and the proposed site by the Authority.

Section 10. The County Board agrees to cooperate with the SBA with regards to issuing contracts for services of Construction Analyst (CA) or Construction Managers (CM) assigned to the project by the SBA. The County Board further agrees to include language within the Standard Form of Agreement between the Owner and Architect that requires the Architect to cooperate with the Construction Analyst (CA) or Construction Manager (CM) with regards to their services in accordance with the AIA Construction Manager contracts and the SBA Task Order Agreement for Construction Analyst (CA) services.

Section 11. The County Board aggress to include the SBA Project Development Schedule (PDS) in the Architect/Engineer professional service contract and to require the Architect/Engineer to comply with the timelines established in the PDS.

Section 12. The County Board shall award bids only to properly licensed contractors as per the state Tax Department regulations. The County Board of Education shall require written evidence from all prime contractors that all sub contractors and all sub-sub contractors performing work on the approved project shall be covered by all required bonding.

Section 13. The County Board agrees to include in its contracts relating to projects receiving funds from the Authority items set forth in Appendice K of the School Building Authority Policy and Procedure Manual.

Section 14. Should the desired building design costs exceed the total construction funds available, the county must reduce the scope of the project and/or value engineer the facility to the satisfaction of the Authority prior to proceeding to the next project development phase. Failure to do so may be interpreted by the SBA as a Breach of Contract resulting in negation of the grant agreement between the local board and the SBA.

Section 15. The County Board shall employ a "Clerk-of-the-Works" to monitor all construction projects, unless otherwise waived by the Authority. The "Clerk-of-the Works" shall <u>not</u> be a regular employee of the county board. The County Board shall use its best efforts to provide funds for the payment of such "Clerk-of-the-Works" by negotiating a reduction in architectural fees relating to such project. The grant recipient may, at the discretion of the Authority's Construction Committee, be required to proceed with the construction project using an Authority approved design, construction schedule and construction management method. Requirement of a Clerk-of-the-Works will be waived for counties using construction management.

Section 16. The County Board shall retain an architect for renovations, additions and/or new construction projects as required by Chapter 5G of the WV Code or as required by the School Building Authority.

(i) The County Board agrees to retain architectural services using the latest Edition AIA Standard Form of Contract between Owner and Architect approved School Building Authority Architectural/ Engineering Service Agreement. The County Board agrees that any percentage architectural fees shall be based upon the bid cost of the project, excluding cost overruns and change orders in accordance with Section I of the SBA Guidelines.

(ii) The County Board agrees to provide language within the Architect's design contract that requires the Architect to design the project within the funding available. If the desired educational programming exceeds the SBA programming standards, the Owner and Architect shall agree to resolve the programming differences prior to submission of the educational program or design to the SBA. Additionally, should the bids received exceed the established project budget, the architect shall be required to revise the contract documents and re-bid the project at no additional cost or fee to the County Board.

(iii) The County Board agrees to contractually require the architectural firm to revise plans without additional cost to the County Board when the preliminary plans provided for review do not meet the requirements of the Authority, State Fire Marshal or any other regulatory agency.

(iv) All construction change proposal requests, change directives or construction change orders shall be submitted to the Authority for review and approval. Changes shall be submitted to the Authority in an AIA document format. Any project change that is not approved by the Authority which results in an encumbrance of additional project funds regardless of the source, may at the option of the Authority, cause termination of this grant. The County Board, at the demand of the Authority, will assume responsibility of existing contracts, forfeit the remaining grant funds and repay the Authority the full amount of grant funds expended at the time of termination with interest accruing from the date of termination at the rate of six percent per annum.

(v) The project budget shall be amended to reflect any and all increases or decreases in the project finance plan. Funds from any and all sources shall be submitted in the form attached hereto as Exhibit C for review and approval by the Authority. No construction contract or change order may be executed by the Grantee until all sources of financing are identified and an updated Exhibit C is submitted and approved by the Authority.

Section 17. No educational facility shall be occupied without prior approval from the Authority and the appropriate state and county regulatory agencies. Because construction completion dates do not always coincide with educational schedules, the county agrees to complete and submit to the SBA with design development drawings, a viable contingency plan addressing how all affected students and staff will be housed should the new, additional or renovated facility not be available for occupation within the proposed time schedule.

Section 18. Should the possibility exist that the scheduled construction completion date negatively impact the county's ability to occupy the facility for the start of school, the county board agrees to develop and implement a contingency plan. This plan must address how all affected students and staff will be house should the new or renovated facility be unavailable at the beginning of the school term. Upon request by the SBA, the contingency plan must be submitted for review and approval along with the design development submission requirements.

Section 19. The County Board hereby convenants and agrees to have county maintenance and custodial staff trained on-site by the State Department of Education HVAC technicians on all new HVAC equipment and controls. The county board shall contact the Department of Education Office of School Facilities immediately following the installation of new HVAC equipment for training and for follow-up training six months after the initial training to insure proper maintenance and operation of the new HVAC equipment and controls during heating and cooling seasons in the first year of operation. This training shall be in addition to the contractor training provided at the conclusion of the project. The SBA shall be notified of the training schedule and the county agrees to schedule additional training, if in the opinion of the SBA, additional training is required in order for all key maintenance and custodial personnel to become efficient in the maintenance and operation of the new HVAC equipment and controls.

Section 20. The County Board agrees to keep the project in good repair and working order after completion and execution of this grant and accepts the terms and conditions identified in Exhibit D of this agreement. The County Board acknowledges that the Authority may inspect any project from time to time after completion, and if the Authority determines that a project is not being maintained in such condition, the State Board of Education may require that state aid monies be used to provide improvements or repairs to such Project.

Section 21. Any funds designated in this contract are provided in accordance with the details of the project as presented in the Comprehensive Educational Facilities Plan approved by the State Board of Education and the School Building Authority for the County Board. Failure to develop the project in accordance with the approved plan entails a misrepresentation that may, at the discretion of the Authority, void this contract. These details include designated utilization of the facility, instructional improvements, cost savings measures, health and safety improvements, and the initiation of any student/teacher services so indicated in the plan.

Section 22. The County Board of Education understands that it must conduct any school closure hearings that may be required by this project and obtain State Board of Education approval of such closures prior to submitting any invoice to the SBA for consideration of payment and that the SBA will not recognize any invoice prior to such action by the County and State Boards of Education.

Section 23. The County Board agrees that the Authority will maintain a 5% retainage based on the total construction cost of the project until all construction contracts are complete and an approved Certificate of Project Completion is executed. To avoid placing the County at risk, it is recommended that the County withhold final payment on this project until such time.

Section 24. The County Board agrees that funds for payment of all requisitions shall be made available from this grant in the proportion of state to local or other funds dedicated to this project. Initial payments shall be made based on the following schedule based on the estimated percentage of State to local funds shown on Exhibit A-1:

Responsible Party	Percentage of Funds Submitted for Payment
Authority	65.20%
County Board	34.80%
	100.00%

Section 25. In order to utilize state funds expeditiously in accordance with The Code and to avoid extraneous costs associated with inflation that occurs in extraordinary design and/or finance planning and construction delays, this grant is conditioned upon the representation of the County Board, by the affixed signature of their President, that they will meet the planning and construction schedule outlined in Exhibit A-2 of this contract. Upon failure to comply with such schedule made in Exhibit A-2 of this agreement, the County Board shall be in default of this agreement and subject to the default provision set forth in this instrument.

Section 26. Upon any default under its representations of the agreements set forth in this instrument, or in the instruments incident to the awarding of the grant, Grantee, at the option and demand of Grantor, will repay to grantor forthwith the original amount of the grant received with the interest accruing thereon from the date of default at yield rate of the bonds from which the grant was made or at the current prime interest rate for grants made from Pay-As-You-Go funds. Default by the Grantee will constitute termination of the grant thereby causing cancellation of financial assistance by the School Building Authority under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it of previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulation under which this grant is made.

Section 27. This Grant Contract shall become effective as of the date first written and upon your mutual acceptance thereof.

FOR THE SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

By _____
Executive Director

Accepted and agreed to as of the date first above written:
THE BOARD OF EDUCATION OF THE COUNTY OF CALHOUN

By _____ By _____
Superintendent President, County Board of Education

SBA 125
Revised 03/2/11
f:\sbmainserver1\karen\needcontract.wpd

f:\countyfiles\calhoun042011needsgrant.wpd

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
PROJECT DESCRIPTION AND FINANCE PLAN
EXHIBIT A-1

COUNTY: Calhoun

DATE OF GRANT: April 11, 2011

PROJECT NUMBER, SCHOOL FACILITY AND ESTIMATED COST: 14-201-2012 New Arnoldsburg Elementary School $8,583,520.00

DESCRIPTION OF PROJECT: Construction of a new Arnoldsburg Elementary School. The existing elementary school is located in the floodplain and has been flooded numerous times in the past. At the completion of this project, the existing structure will no longer be used by the students or Calhoun County Board of Education employees.

The Grantee will be required to employ the services of an Authority approved Construction Analyst for this project.

REVENUE SOURCES:

	Amount	Percentage
School Construction Fund Allocation - FY2012	**3,596,162.00**	**41.90%**
Emergency Fund Allocation - FY2012	2,000,000.00	23.30%
Local Funds	2,987,358.00	34.80%
TOTAL FINANCE PLAN	$8,583,520.00	100.00%

CALHOUN COUNTY
PROJECT DEVELOPMENT SCHEDULE
Exhibit A-2

High School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	21
Total time	**36**

Middle School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning and schematic design (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	18
Total time	33

Elementary School/Design Build Schedule **New Arnoldsburg Elementary School**

Milestone	Timeframe (months)	
1. Planning (1)	August 4, 2011	(3 months)
2. Schematic design	October 4, 2011	(2 months)
3. Design development and technology plan	February 6, 2012	(4 months)
4. Bidding documents	May 8, 2012	(3 months)
5. Bidding and contract award	June 8, 2012	(1 month)
6. Construction (2)	August 9, 2013	(14 months)
Total time	28	

Note (1) The project development schedule begins with the SBA notice of the grant award. It is imperative that the project move forward based on the schedule provided. To meet the critical timelines you will be required to have all planning, design, and when applicable, construction mangement professionals under contract and the educational program of space completed within 90 days of the grant notice. The scope and complexity of each project will be considered and the development schedule will be adjusted to reflect greater or less planning and design time as determined by the SBA. Submission requirements for items 1-4 are provided on SBA Form 176 A-E in the SBA Policy and Procedure Manual. If the project is delayed at any phase at the county level as a result of timelines not being met, the SBA will require the the grant recipients to pay the delay costs based on the current annual construction inflation rate, prorated over the number of months the project is delayed. Design Building project schedules will be adjusted to comply with the requirements of code and SBA Design/Build Policy. Major addition and renovation project schedules will be established jointly with the grant recipient project architect or design builder and builder and the SBA based on the size and complexity of the project.

Note (2) Unless approved by the SBA, the construction timeline for a lump sum contract will be dictated by the completion days provided by the contractors within the bid. The construction timeframes indicated above are approximate.

Note (3) The construction timeline substantial completion days for multi-prime contract construction method will be established jointly with the cost analyst, project architect and the SBA for general trades, plumbing, HVAC, electrical and sprinkler contracts. The construction timeframes indicated above are approximate.

2012

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

EXHIBIT B
REQUISITION FORM

COUNTY: _____ DATE: _____

SUBMIT TO:

United Bank
P.O. Box 393
Charleston, WV 25301-2135
Attention: Kathy Smith

SUBMIT TO:

School Building Authority of West Virginia
2300 Kanawha Boulevard, East
Charleston, WV 25311-2306
Attention: Garry Stewart

You are authorized to make the following disbursement from the School Building Authority of West Virginia Project Fund (the "Fund") maintained under that certain Depository Agreement dated February 15, 1990 by and between the School Building Authority of West Virginia and United National Bank, as Depository.

(1) County Account: _____

(2) Requisition Number: _____

(3) Name of School: _____

(4) SBA Project Number: _____

(5) Name and Address of Payee: _____
(Co. Bd. Of Ed. Or RESA) _____
_____

(6) Amount: _____
(Total all invoices)

A. The expense listed above has been incurred as a cost of a project identified in the Grant Contract, dated _____ by and between the School Building Authority of West Virginia and the undersigned county board.

B. A copy of the invoice relating to this payment and a description of the work, materials or equipment is attached. Such materials are not subject to any lien or security interest and such funds will not be used to satisfy such lien or security interest.

C. By affixing my signature, I certify that all requisitions from which payment was received the prior month have been paid to the vendor(s).

Dated this _____ day of _____, 20___.

THE BOARD OF EDUCATION OF
THE COUNTY OF _____

By_____
County Superintendent

Note: Requisitions must be received by United National Bank and the Authority on or prior to the 5th day of the month in which payment is required. No facsimile requisitions will be accepted for issue of payment.

SBA104A (Revised 10/26/94)

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
PROJECT FINANCE PLAN AMENDMENT FORM
EXHIBIT C

COUNTY: _____ DATE: _____

PROJECT DESCRIPTION: _____

Amended Project Finance Plan ☐ Final Project Finance Plan ☐

Description of Funding Sources:	Date of Availability	Construction Budget As Previously Approved by SBA	Increase (Decrease) in Project Funds	Current Construction Budget As Proposed By County BOE	Percentage of Total Funding
Original SBA Construction Fund Grant					
Supplemental SBA Grants Awarded					
Local Funding (Indicate Source):					
1.					
2.					
3.					
4.					
5.					
6.					
Other Funding (Indicate Source):					
1 DOH Reimbursemen:					
2. Federal Government Grant					
3.					
4.					
5.					
TOTAL PROJECT FINANCE PLAN		0.00	0.00	0.00	0.00%

A We certify to the best of our knowledge and belief that the above information is correct. A copy of the Board of Education minutes approving this project finance plan change is attached for your reference

_____ _____

County Board of Education President County Superintendent

THIS FORM MUST BE UPDATED EACH TIME THE PROJECT FINANCE PLAN IS ALTERED AND THE FINAL PROJECT COST MUST BE RECORDED ON THIS FORM AND ACCOMPANY THE FINAL REQUEST FOR PROJECT CLOSEOUT FUNDS.

BUILDING MAINTENANCE AND UPKEEP AGREEMENT
BETWEEN THE
CALHOUN COUNTY BOARD OF EDUCATION
AND
THE SCHOOL BUILDING AUTHORITY
OF WEST VIRGINIA
FOR
NEW ARNOLDSBURG ELEMENTARY SCHOOL
EXHIBIT D

West Virginia Code §18-9D-16 requires all county boards of education to implement a plan of regularly scheduled maintenance and preventive maintenance for all facilities within the county. School Building Authority (SBA) "Needs" based and "Major Improvement Plan" funding is contingent upon the implementation of this countywide plan. As a condition of this grant Calhoun County Board of Education (the County Board) must agree to the following in regards to this SBA funded project.

- The County Board will assign sufficient custodial personnel to this facility in order to provide a clean and healthful environment for students and staff.

- Custodial staff members will be provided sufficient training required to perform tasks assigned.

- Building maintenance staff members whose job responsibilities require them to perform maintenance on this facility will have sufficient training to allow them to successfully complete their duties assigned regarding building maintenance. The State Board of Education Office of Facilities (SDEOF) will provide technical training and support for the Heating/Ventilating and Air Conditioning (HVAC) Maintenance Plan.

- Annual funding will be provided from the county budget to support the maintenance and preventive maintenance plan for this facility. The SDEOF technical support staff will be utilized to assist with the creation of the HVAC preventive maintenance plan and its implementation.

Acceptance of SBA funding for this project represents a commitment by the county board of education to perform or cause to be performed the above maintenance and custodial duties for this project. An on-site inspection of this facility will be conducted annually by the SDE in accordance with West Virginia Code §18-9D-16h. Compliant and non-compliant standards will be identified and reported to the county and the SBA. The SBA will conduct follow-up visits and in cooperation with the county board of education initiate a plan of improvement. Failure to implement the maintenance and custodial care plan of improvement required to keep this facility clean and in good repair may cause a redirection of state aid funding by the SDEOF in an amount sufficient to cause this work to be contractually performed until such time as the county board staff has been properly trained to successfully perform the work.

CALHOUN COUNTY
PROJECT DEVELOPMENT SCHEDULE
EMERGENCY Exhibit A-2

High School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	21
Total time	**36**

Middle School/Design Build Schedule

Milestone	Timeframe (months)
1. Planning and schematic design (1)	3
2. Schematic design	2.5
3. Design development and technology plan	5
4. Bidding documents	3.5
5. Bidding and contract award	1
6. Construction (2)	18
Total time	**33**

Elementary School/Design Build Schedule **New Arnoldsburg Elementary School**

Milestone	Timeframe (months)	
1. Planning (1)	August 4, 2011	(3 months)
2. Schematic design	October 4, 2011	(2 months)
3. Design development and technology plan	February 6, 2012	(4 months)
4. Bidding documents	May 8, 2012	(3 months)
5. Bidding and contract award	June 8, 2012	(1 month)
6. Construction (2)	August 9, 2013	(14 months)
Total time	**28**	

Note (1) The project development schedule begins with the SBA notice of the grant award. It is imperative that the project move forward based on the schedule provided. To meet the critical timelines you will be required to have all planning, design, and when applicable, construction mangement professionals under contract and the educational program of space completed within 90 days of the grant notice. The scope and complexity of each project will be considered and the development schedule will be adjusted to reflect greater or less planning and design time as determined by the SBA. Submission requirements for items 1-4 are provided on SBA Form 176 A-E in the SBA Policy and Procedure Manual. If the project is delayed at any phase at the county level as a result of timelines not being met, the SBA will require the the grant recipients to pay the delay costs based on the current annual construction inflation rate, prorated over the number of months the project is delayed. Design Building project schedules will be adjusted to comply with the requirements of code and SBA Design/Build Policy. Major addition and renovation project schedules will be established jointly with the grant recipient project architect or design builder and builder and the SBA based on the size and complexity of the project.

Note (2) Unless approved by the SBA, the construction timeline for a lump sum contract will be dictated by the completion days provided by the contractors within the bid. The construction timeframes indicated above are approximate.

Note (3) The construction timeline substantial completion days for multi-prime contract construction method will be established jointly with the cost analyst, project arcitect and the SBA for the gneral trades, plumbing, HVAC, electrical and sprinkler contracts. The construction timeframes indicated above are approximate.

State of West Virginia

Certificate

I, Natalie E. Tennant, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 13, ARTICLE 1 OF THE WEST VIRGINIA CODE, AND CHAPTER 13, ARTICLE 1 OF THE 2010 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on
July 11, 2011

Natalie E Tennant

Secretary of State

ARTICLE 1

BOND ISSUES FOR ORIGINAL INDEBTEDNESS

Section

13–1–1. Political divisions authorized to issue and sell bonds.
13–1–1a. Exemption from interest rate ceilings.
13–1–2. Purposes for which bonds may be issued.
13–1–3. Amount and purpose of indebtedness for which bonds may be issued.
13–1–4. Bond issue proposal to be submitted to voters; election order.
13–1–5. Engineer's estimate.
13–1–6. Bonds may be specified for more than one purpose; single or general purpose defined.
13–1–6a. When proceeds of bond issue specified for one project may be used for another project.
13–1–7. When election to be held.
13–1–8. Publication of notice of election.
13–1–9. Registration of voters.
13–1–10. Election precincts.
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.
13–1–15. Bonds to be payable in annual installments.
13–1–15a. Bonds may be subject to redemption.
13–1–16. Recital of certification that bonds are issued in conformity with Constitution and statutes; effect thereof with attorney general's indorsement.
13–1–17. Bonds may be registered; coupon bonds may be registered as to principal.
13–1–18. Registration of coupon bonds as to interest; exchange of registered bond for coupon bond.
13–1–19. Signing, sealing and delivery of bonds and coupons.
13–1–20. Imposition and collection of tax to pay bonds and interest.
13–1–21. Advertisement and sale of bonds.
13–1–22. Purposes for which proceeds to be used; purchaser need not see to application thereof.
13–1–23. No law, order, ordinance, resolution, proceeding or publication necessary except as prescribed by this article.
13–1–24. Legal status of bonds.
13–1–25. Copy of proceedings to be transmitted to attorney general for approval or disapproval; publication of approval or disapproval.
13–1–26. Review in supreme court of appeals of action of attorney general.
13–1–27. Bond issue and tax to pay bonds to be incontestable upon failure to file petition for review or dismissal thereof.
13–1–28. Indorsement on bonds by attorney general.
13–1–29. Costs of proceedings and expenses of attorney general to be paid out of proceeds of bonds or general fund.
13–1–30. Files and records to be kept by attorney general.
13–1–31. Proceedings to issue bonds under authority of prior statutes; debts heretofore incurred.
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.
13–1–33. Bonds exempt from taxation.

Section
13-1-34. Bonded indebtedness of school districts; annual tax to be levied and collected to pay same; definition of value.
13-1-35. Bonded indebtedness of counties, magisterial districts and municipal corporations; levy and collection of taxes to pay same.

§ 13-1-1. Political divisions authorized to issue and sell bonds

Any county, by and through its county court, 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.

Acts 1923, c. 14, § 1.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers
Counties ⚷173.
Municipal Corporations ⚷906.
Schools ⚷97(1).
Westlaw Key Number Searches: 104k173; 268k906; 345k97(1).

Encyclopedias
C.J.S. Municipal Corporations §§ 1645 to 1646, 1702.
C.J.S. Schools and School Districts §§ 522, 524, 527 to 529, 531.

Notes of Decisions

Mandamus 2
Municipal powers and duties 1

1. Municipal powers and duties

City council would be justified in refusing to submit bond issue ordinance to voters under general state law where petition did not comply with statute inasmuch as no specification of amount of bonds to be issued and voted upon was contained in petition, which described amount only in terms of difference between cost of project and other funds available. Code, 13-1-1 et seq. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Municipal Corporations ⚷ 918(2)

Statute authorizing taxing unit to issue bonds for governmental purposes pursuant to local popular vote held not repealed by statute allocating approximately 30 per cent. of direct levies authorized under constitutional tax limitation amendment to governmental bonded indebtedness created prior thereto, and approximately 70 per cent. thereof to current government expenses. Code 1931, 13-1-1 et seq.; Acts 1933, 2d Ex.Sess., c. 67; Const. art. 10, § 8; art. 10, § 1, amended (see Acts 1932, Ex.Sess., c. 10). Walker v. City of Charleston, 1935, 182 S.E. 766, 116 W.Va. 645. Municipal Corporations ⚷ 907

Municipality may issue bonds for governmental purposes pursuant to popular vote, notwithstanding constitutional tax limitation amendment. Code 1931, 13-1-1 et seq; Const. art. 10, § 8; art. 10 § 1, amended (see Acts 1932, Ex.Sess., c. 10). Walker v. City of Charleston, 1935, 182 S.E. 766, 116 W.Va. 645. Municipal Corporations ⚷ 918(1)

2. Mandamus

Petitioners who, by petition designated as one under city charter, sought submission of bond issue question to election were not entitled to mandamus to compel submission in accordance with initiative provision of general state law. Code, 13-1-1 et seq., 13-1-4. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Mandamus ⚷ 74(2)

§ 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.

Acts 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.

Acts 1923, c. 14, § 2; Acts 1941, c. 8; Acts 1945, c. 17; Acts 1974, c. 8.

Library References

Key Numbers

Counties ⚷173.2 to 175.
Municipal Corporations ⚷910 to 913.
Schools ⚷97.
Westlaw Key Number Searches: 104k173.2 to 104k175; 268k910 to 268k913; 345k97.

Encyclopedias

C.J.S. Counties §§ 218, 220.
C.J.S. Municipal Corporations §§ 1647 to 1651, 1653.
C.J.S. Schools and School Districts §§ 522 to 524, 527 to 529.

Notes of Decisions

In general 1
Mandamus 3
Public purpose 2

1. In general

Under Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), a county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⚷ 150(1)

Acts 1911, c. 38, § 25a, Code 1913, c. 43, § 56a (section 1793), authorizing the issuance of bonds for road improvement, does not impliedly repeal the limitation imposed by Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495). Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⚷ 150(1)

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, is illegal and void. Hedrick v. Summers County Court, 1913, 77 S.E. 359, 71 W.Va. 732. Bridges ⚷ 11

2. Public purpose

A town cannot constitutionally be authorized to issue bonds to be paid by taxation and donate them in aid of a manufacturing and mining enterprise; that not being a municipal or public purpose. Ohio Valley Iron Works v. Town of Moundsville, 1877, 11 W.Va. 1. Municipal Corporations ⚷ 910

3. Mandamus

Mandamus to require county court to reimburse road bond fund, depleted by illegal expenditures, out of funds thereafter to be raised, will be denied (Barnes' Code 1923, c. 28A, § 12). State v. County Court of Lincoln County, 1928, 141 S.E. 874, 105 W.Va. 235. Mandamus ⚷ 16(1)

A mandamus nisi, sued out to compel the levy of a tax for the payment of an unauthorized issue of bonds by a town, should be dismissed. Ohio Valley Iron Works v. Town of Moundsville, 1877, 11 W.Va. 1. Mandamus ⚷ 112.1

§ 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, sewering, and otherwise improving or reimproving 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 theaters, 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 "sewering" 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 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.

Acts 1923, c. 14, § 3; Acts 1925, c. 42; Acts 1927, c. 58; Acts 1931, c. 36; Acts 1935, c. 21; Acts 1941, c. 8; Acts 1945, c. 17; Acts 1951, c. 153; Acts 1974, c. 8.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Cross References

Election to increase levies, vote required, amount and continuation of additional levy, issuance of bonds, see § 11-8-16.

Taxation and finance, constitutional provisions, see Const. Art. 10 § 1.

Library References

Key Numbers

Counties ⚷173.1.

Municipal Corporations ⚷914.

Schools ⚷97(3).

Westlaw Key Number Searches: 104k173.1; 268k914; 345k97(3).

Encyclopedias

C.J.S. Counties § 219.

C.J.S. Municipal Corporations §§ 1654, 1656 to 1657.

C.J.S. Schools and School Districts §§ 525 to 526.

Notes of Decisions

Bonds approved in excess of debt limit 6
Constitutional rights and obligations 4
Construction and application 3
Debt load of subordinate governmental units 5
Validity 1
Validity of related laws 2

1. Validity

Statute prohibiting bond issue by county increasing indebtedness to amount, exceeding 2½ per cent., of value of taxable property in county,

held valid, notwithstanding constitutional limitation on indebtedness. Code 1931, 13–1–3; Const. art. 10, § 8. Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 173.1

2. Validity of related laws

Acts of 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), limiting the indebtedness of counties, etc., to 2½ per cent. of the assessed value of the taxable property, held not violative of Const. art. 10, § 8, Code 1913, p. cxviii, providing that such indebtedness shall not exceed 5 per cent. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

3. Construction and application

Original voter mandate on approving school bond issue, which required voters to be advised and to approve of key elements of original bond issue, determines maximum amount of indebtedness allowable under a financing plan involving refunding bonds, which indebtedness is calculated by adding to original principal amount of bonds authorized the accrued interest that would be paid on the original bonds over their maturity, and from that total, there must be deducted amounts of principal and interest paid on the original bond issue to reach the net amount available for financing plan involving refunding bonds. Code, 13–1–4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

Constitutional and statutory limitations on indebtedness of distinct political subdivisions, such as counties, school districts, and municipal corporations, apply distributively and not collectively (Code 1931, § 13–1–3; Const. art. 10, § 8). Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 150(1)

Acts 1911, c. 38, § 25a, Code 1913, c. 43, § 56a (section 1793), authorizing the issuance of bonds for road improvement, does not impliedly repeal the limitation imposed by Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495). Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

4. Constitutional rights and obligations

Const. art. 10, § 8, Code 1913, p. cxviii, does not authorize or recognize a pre-existent right in counties, etc., to incur indebtedness, but merely imposes a limitation. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

Section 8 of article 10 of the Constitution, Code 1913, p. cxviii, does not grant to counties, cities, school districts, and municipal corporations the right to incur indebtedness to the extent of 5 per cent, of the assessed value of the taxable property therein, nor recognize such right in them as pre-existent. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(3)

5. Debt load of subordinate governmental units

Political divisions of state, such as counties, may not incur obligations in amounts exceeding legally available revenue from taxes raised by valid levies or other legally authorized sources. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 149

Outstanding indebtedness of magisterial districts within county held indebtedness of county as basis for determining whether proposed bond issue exceeds limitation on indebtedness. Code 1931, 13–1–3; Const. art. 10, § 8. Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 150(3)

Outstanding indebtedness of school districts and municipal corporations within county held not indebtedness of county as basis for determining whether proposed bond issue exceeds limitation on indebtednes Code 1931, 13–1–3; Const. art. 10, § 8. Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 150(3)

Under Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), a county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

A county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(3)

6. Bonds approved in excess of debt limit

The 1939 act, giving effect to 1932 tax limitation constitutional amendment, prohibited county's creation of bonded indebtedness exceeding amount of principal and interest payable annually during existence of debt from funds made available for such purpose by maximum tax rates levied annually on specified classes of property, and hence invalidated county's proposed airport bond issue in amount exceeding such limit, though approved by required three-fifths majority of county's qualified voters. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 149

Generally, bonds of political division, such as county, for amount exceeding its debt limita-

tion, are void. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 150(1)

§ 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 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.

Acts 1923, c. 14, § 4; Acts 1951, c. 153; Acts 1959, c. 132.

Cross References

Election to increase levies, vote required, amount and continuation of additional levy, issuance of bonds, see § 11-8-16.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918.
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918; 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1664, 1672.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1
Absentee ballots 9
Approval of illegal bond proposal 13
Contents of election order 7
Contesting election 12
Court ordered submission to electorate 11
Departures from provisions of election order 8
Interest 4
Judicial powers and duties 10
Mandamus 14
Necessity for submission of proposal 5
Notice of election 6
Statutory compliance 2
Validity of voting requirements 3

---

1. In general

Activity of chamber of commerce in an attempt, in a proper way, to influence county court to submit bond issue for acquisition or construction of an airport was insufficient to invalidate bond issue. Code 1931, 13-1-4. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 183(1)

The fact that a commercial or civic organization may interest itself in advocating public improvements should not be permitted to detract from merits of project or affect legality of any action of public officials influenced thereby unless such influence is exerted in an improper way and can be said to amount to an improper control of acts of such officials. Code 1931, 13-1-4. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Municipal Corporations ⚷ 316

2. Statutory compliance

The statute requiring that county voters be correctly advised as to all existing indebtedness, bonded and otherwise, at time proposed bond issue is submitted to voters is mandatory and calls for utmost good faith in its compliance on part of county court. Code 1931, 13-1-4(e). Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 178

3. Validity of voting requirements

Any departure from strict majority rule gives disproportionate power to minority, but state constitutional and statutory requirement that 60% of voters in referendum election approve bonded indebtedness or tax increase by political subdivision did not violate equal protection clause merely because votes of those who favored issuance of bonds would have proportionately smaller impact on outcome of election than votes of those who opposed issuance of bonds. U.S.C.A.Const.Amend. 14; Const.Ind.

art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⟹ 232(2)

A provision requiring unanimity or giving veto power to a very small group might or might not be constitutional, but West Virginia Constitution and statutory provisions, applicable to all bond referenda and requiring strong consensus of three-fifths before indebtedness would be authorized, did not violate equal protection clause or any other provision of Constitution. U.S.C.A.Const. Amend. 14; Const.Ind. art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⟹ 232(2)

Three-fifths vote requirement of West Virginia Constitution and statutes dealing with elections held by political subdivisions of the state for determination of whether bond indebtedness should be incurred, and 60 percent vote requirement provided by West Virginia Constitution relating to elections to authorize local tax levying bodies to make additional levies for tax purposes in excess of levies provided for in Tax Limitation Amendment, conflict with and violate the Equal Protection Clause of United States Constitution and are therefore unconstitutional and unenforceable. Const. art. 10, §§ 1, 8; Code, §§ 11–8–16, 13–1–4, 13–1–14; U.S.C.A.Const. Amend. 14. Lance v. Board of Ed. of Roane County, 1969, 170 S.E.2d 783, 153 W.Va. 559, certiorari granted 90 S.Ct. 1264, 397 U.S. 1020, 25 L.Ed.2d 530, reversed 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ⟹ 11

4. Interest

Special bond levy is set annually based upon current year's appraised values, as evidenced by statute requiring bond-issuing authority to pay annually interest on such debt and principal thereof falling due in each year, such tax to be levied and collected by same officers, at same time and in same manner as the general taxes of the political division. Code, 13–1–4, 13–1–20. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 106

5. Necessity for submission of proposal

Statute providing that city council, when requested by petition signed by at least 20% of legal voters, shall direct that election be held to determine all questions connected with contracting of debt and issuing of bonds is mandatory; thus, upon petition signed by sufficient number of legal voters, city council had mandatory duty to call election to determine if city should contract debt and issue general obligation bonds for acquiring land and constructing municipal auditorium building even if federal money was no longer available. Code, 13–1–4. State ex rel. Elliott v. Adams, 1971, 181 S.E.2d 276, 155 W.Va. 110. Municipal Corporations ⟹ 918(1)

6. Notice of election

Where, within 7 days after entry of an order of county court submitting to voters a proposition to issue bonds to build a public road, and more than 30 days before the day appointed for election, the clerk posts in his office and at the front door of the courthouse copies of such order, considering the nature of the duty, there has been substantial compliance with the statute requiring copies of such order to be posted forthwith. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⟹ 90

Where the clerk of a bond issue election to construct a road, in his affidavit filed with the Attorney General, made a mistake as to the time of the posting of the notice of election, such mistake will not be regarded, on appeal from an order of approval by the Attorney General of the bond authorized, especially where the error is corrected by a minute affidavit filed on appeal. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⟹ 90

7. Contents of election order

School board was not required by statute to include proposed maturity schedule for original bonds in its election order. Code, 13–1–4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

Statute requiring valuation of taxable property, as shown by last assessment thereof for state and county purposes, to be placed in an election order concerning bond approval was designed to give information to voters as to value of property on which levy rates for liquidation of bonds and their interest would be based. Code, 13–1–4(d). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

Where original bond issue was to be liquidated by funds obtained through a special property tax levy which voters approved at bond authorization election, it was necessary that voters be given some approximation of the amount of increased rate of taxation arising from the special levy. Code, 13–1–4(d). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

School board was not strictly bound to follow maturity schedule set out in election order regarding bonds as long as projected plan remained within limits set by voters. Code, 13–1–4. Board of Educ. of Hancock County v.

Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

Action of common council in placing money received from sale of real estate and donations in general fund was not beyond authority of council, and order submitting question of approval of proposed bond issue for purchase of realty and construction of fire hall to voters was not objectionable because order did not expressly state that revenue of city for fiscal year, after excluding named items, would be sufficient to include its necessary operating expense and to provide for its bonded indebtedness. Code, 13-1-4, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 886

Municipal bond issue proposal submitted to voters by common council, was not required to contain statement that city would be provided with sufficient revenue to pay its costs and keep aggregate levies within legal limits, including those authorized to satisfy bonded indebtedness authorized by election order. Code, 13-1-4, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 918(2)

Under statute requiring that an order submitting approval of bond issues to vote of people state approximate rate of levy necessary to meet sinking fund requirements, such rate of levy must be substantially complied with. Code, 13-1-4. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 918(5)

Where purpose of county court, when it submitted bond issue to voters, was to establish, acquire and construct an airport, but one project or purpose was contemplated, and statute providing that where a bond issue is to be used for more than one purpose the order submitting question to voters shall contain statement of amount to be used for each of purposes specified had no application. Code 1931, 13-1-6. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⟹ 178

8. Departures from provisions of election order

Where voters of city approved bond issue at specific rate of levy, subsequent ordinance passed by common council stating that rate of levy could be exceeded when necessary was invalid and ordinance did not invalidate bond issue. Code, 13-1-4. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 918(5)

9. Absentee ballots

Where absentee ballots under consideration were not challenged though subject to challenge, there was no showing of fraud in connection with preparation of ballots or that any voters were not qualified to cast absentee ballots, nor showing that election was not fair, and purpose of absentee voter's signature on declaration, to allow comparison of the voter's signature on ballot with his signature on poll book, was served by absentee voter's signed application for ballot, failure of circuit court clerk to provide for each absentee voter a return envelope bearing a printed declaration, and failure of voter to sign such declaration, did not render absentee ballots cast in school board levy election invalid. Acts 1963, c. 64, art. 3, § 6; Acts 1970, c. 28, art. 3, § 3; Const. art. 4, § 1. State ex rel. Heavener v. Perry, 1971, 184 S.E.2d 136, 155 W.Va. 353. Schools ⟹ 103(2)

10. Judicial powers and duties

Under statutory proceeding for review of Attorney General's approval or disapproval of bond issues, court generally will not undertake supervision of expenditure of funds to be procured as result of bond issue. Code, 13-1-4. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 917(2)

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⟹ 6

11. Court ordered submission to electorate

Where county court in submitting proposed bond issue to voters declared that county had no indebtedness, bonded or otherwise, except current obligations, overdraft in the county fund representing moneys spent in years prior to current fiscal year, which was an indebtedness illegally created, was not a "current expense", and statement was incorrect. Code 1931, 13-1-4(e); Acts 1933, 2d Ex.Sess., c. 67, § 26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⟹ 178

Where order of the county court in calling special election to pass upon bond issue did not correctly state financial status of county as required by statute, election was void notwithstanding that had status been correctly presented it would have appeared in a light more favorable to county than that incorrectly stated in court's order. Code 1931, 13-1-4(e). Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⟹ 178

An order of a county court submitting to the voters a proposition to issue bonds to build a road embodied therein the petition filed by the requisite number of voters and also the report of the road engineer thereon. The petition describes the proposed road as, "Beginning at or

near mouth of Hurricane, at hard road from Spencer, Walton to Clendenin, thence the most economical and practical route to intersect the state road from Clay, W.Va., to Spencer, W.Va.," and the report of the engineer designates the road as running from "Hurricane to Newton," and gives the length in miles thereof. There was no such uncertainty in the order of submission as to the location of the proposed road as to render the order of submission, or the election held thereunder, void, or to justify this court in nullifying the approval by the attorney general of the bonds authorized for the construction of the road. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

12. Contesting election

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⚷ 107

13. Approval of illegal bond proposal

The 1939 act, giving effect to 1932 tax limitation constitutional amendment, prohibited county's creation of bonded indebtedness exceeding amount of principal and interest payable annually during existence of debt from funds made available for such purpose by maximum tax rates levied annually on specified classes of property, and hence invalidated county's proposed airport bond issue in amount exceeding such limit, though approved by required three-fifths majority of county's qualified voters. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⚷ 149

County voters' approval of issuance of airport bonds in amount of $1,100,000, which exceeded county's constitutional and statutory debt limitation, did not authorize issuance of proposed bonds in legal amount of $600,000, though election ballots mentioned bonds to such larger amount, such phraseology meaning same as bonds in such amount. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⚷ 178

14. Mandamus

Petitioners who, by petition designated as one under city charter, sought submission of bond issue question to election were not entitled to mandamus to compel submission in accordance with initiative provision of general state law. Code, 13-1-1 et seq., 13-1-4. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Mandamus ⚷ 74(2)

City of Wheeling will not be compelled by mandamus to call election on issuance of bonds for constructing bridge under ordinances not complying with statute (Acts 1923, c. 14; Charter of City of Wheeling, §§ 31, 83, 84). State v. Steen, 1928, 145 S.E. 602, 106 W.Va. 325. Mandamus ⚷ 74(2)

§ 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 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.

Acts 1923, c. 14, § 5.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers
Counties ⚷177.
Westlaw Key Number Search: 104k177.

Encyclopedias
C.J.S. Counties § 221.

§ 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.

Acts 1923, c. 14, § 6; Acts 1965, c. 125.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(2).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(2); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1666 to 1669.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

---

1. In general

Where ordinance submitting to vote of the people a proposed bond issue embraces several projects and, as required by statute, specifies the amount for each project, a substantial variance between the amounts stated in ordinance and those set forth in ballot will render the issue invalid. Code, 13-1-6. Jarrell v. Board of Ed. of Raleigh County, 1948, 50 S.E.2d 442, 131 W.Va. 702. Municipal Corporations ⚷ 918(2)

Where purpose of county court, when it submitted bond issue to voters, was to establish, acquire and construct an airport, but one project or purpose was contemplated, and statute providing that where a bond issue is to be used for more than one purpose the order submitting question to voters shall contain statement of amount to be used for each of purposes specified had no application. Code 1931, 13-1-6. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 178

A city bond issue for different projects cannot be sustained unless ordinance submitting proposed issue to vote of people clearly specifies amounts to be used for the several projects, respectively. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⚷ 918(2)

In submitting to vote of people a proposed municipal bond issue embracing several projects, amounts specified in ordinance for respective projects should also be set forth in ballot, and a substantial variance will invalidate the issue. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⚷ 918(2)

Where ordinance submitting a municipal bond issue for people's approval proposed in effect that approximately 55 per centum of cost of each of three municipal projects, to be financed in part by federal grant, should be paid

for out of proceeds of sale of bonds, but form of ballot used at election provided for expenditure of larger sums on two of projects, there was failure of substantial compliance with statute requiring specification in ordinance of amounts to be used for each project, and bonds were improperly approved by Attorney General. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⟹ 918(2)

§ 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.

Acts 1965, c. 126.

Library References

Key Numbers

Counties ⟹178.
Municipal Corporations ⟹918(2).
Schools ⟹97(4).
Westlaw Key Number Searches: 104k178; 268k918(2); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1666 to 1669.
C.J.S. Schools and School Districts §§ 532 to 545.

§ 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 of this article.

Acts 1923, c. 14, § 7.

Library References

Key Numbers

Counties ⟹178.
Municipal Corporations ⟹918(4).
Schools ⟹97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

§ 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 of this article as a Class II-0 legal advertisement in compliance with the provisions of article three, 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.

Acts 1923, c. 14, § 8; Acts 1967, c. 105.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(3).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(3); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1665, 1670.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

---

1. In general

An order of a county court submitting to the voters a proposition to issue bonds to build a road embodied therein the petition filed by the requisite number of voters and also the report of the road engineer thereon. The petition describes the proposed road as, "Beginning at or near mouth of Hurricane, at hard road from Spencer, Walton to Clendenin, thence the most economical and practical route to intersect the state road from Clay, W.Va., to Spencer, W.Va.," and the report of the engineer designates the road as running from "Hurricane to Newton," and gives the length in miles thereof. There was no such uncertainty in the order of submission as to the location of the proposed road as to render the order of submission, or the election held thereunder, void, or to justify this court in nullifying the approval by the attorney general of the bonds authorized for the construction of the road. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

Where, within 7 days after entry of an order of county court submitting to voters a proposition to issue bonds to build a public road, and more than 30 days before the day appointed for election, the clerk posts in his office and at the front door of the courthouse copies of such order, considering the nature of the duty, there has been substantial compliance with the statute requiring copies of such order to be posted forthwith. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

Where the clerk of a bond issue election to construct a road, in his affidavit filed with the Attorney General, made a mistake as to the time of the posting of the notice of election, such mistake will not be regarded, on appeal from an order of approval by the Attorney General of the bond authorized, especially where the error is corrected by a minute affidavit filed on appeal. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

Section 56aXXVa, chapter 43, serial section 1793, Code 1913, providing for the posting and publishing thirty days before the poll is taken, orders of the county court providing for the holding of elections for the purpose of taking the vote of the legal voters upon the question of issuing bonds the proceeds of which are to be used in permanently improving the public roads, considered in the light of a subsequent amendment of said act, and with reference to the decisions of this court interpreting other statutes on the subject of notice, is satisfied by the publication of such order once a week for four consecutive weeks, and the contract of the county court for the publication of such order for thirty consecutive days or oftener than once a week for four consecutive weeks, is illegal and void, and payment of a greater sum than the legal rate for four insertions of such publication should be enjoined. Stanley v. Kanawha County Court, 1919, 100 S.E. 408, 84 W.Va. 619. Counties ⚷ 178

§ 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.

Acts 1923, c. 14, § 9.

Cross References

Permanent voter registration law, uniform system of voter registration, see § 3–2–1.

§ 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.

Acts 1923, c. 14, § 10.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

§ 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.

Acts 1923, c. 14, § 11.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

Absentee voters 1
Canvassing election results 2
Mandamus 3

1. Absentee voters

Where absentee ballots under consideration were not challenged though subject to challenge, there was no showing of fraud in connection with preparation of ballots or that any voters were not qualified to cast absentee ballots, nor showing that election was not fair, and purpose of absentee voter's signature on declaration, to allow comparison of the voter's signature on ballot with his signature on poll book, was served by absentee voter's signed application for ballot, failure of circuit court clerk to provide for each absentee voter a return envelope bearing a printed declaration, and failure of voter to sign such declaration, did not render absentee ballots cast in school board levy election invalid. Acts 1963, c. 64, art. 3, § 6; Acts 1970, c. 28, art. 3, § 3; Const. art. 4, § 1. State ex rel. Heavener v. Perry, 1971, 184 S.E.2d 136, 155 W.Va. 353. Schools ⟹ 103(2)

2. Canvassing election results

In absence of any conflicting special statute, County Court, as board of canvassers, is vested with power and authority to recount ballots cast at special bond election in county and is proper governmental instrumentality to conduct such recount. Code 3–5–33, 13–1–11, 13–1–13. State ex rel. Bumgarner v. County Court of Wirt County, 1962, 125 S.E.2d 883, 147 W.Va. 52. Counties ⟹ 178

3. Mandamus

Board of education would be compelled by mandamus to appoint election officials belonging to the two dominant political parties for special election to authorize additional levies for school purposes, rather than employees of the board and those closely related to school teachers or others employed by the board, since election laws require that elections be conducted by representatives of well recognized organizations, which disagree on the major issue before the electorate. Code 1931, 13–1–11. Mingo County Taxpayers Ass'n v. Board of Ed. of Mingo County, 1940, 7 S.E.2d 656, 122 W.Va. 109. Mandamus ⟹ 74(1)

§ 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."

Acts 1923, c. 14, § 12.

Library References

Key Numbers

Counties ⟹178.
Municipal Corporations ⟹918(4).
Schools ⟹97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

---

1. In general

Failure to use the form of ballot prescribed in section 12, c. 14, Acts 1923, in an election held by a municipality upon the question of 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, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(2)

If the form of ballot to be used in municipal bond elections be not prescribed by statute, a ballot which will clearly indicate the intention of the voter on the proposition submitted will suffice. Sexton v. Lee, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(2)

Form of ballot held not to render bond election invalid. Sexton v. Lee, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(4)

Ballot for bond elections indicating intention of voter sufficient. Sexton v. Lee, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(4)

§ 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 for general elections.

Acts 1923, c. 14, § 13.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

---

1. In general

In absence of any conflicting special statute, County Court, as board of canvassers, is vested with power and authority to recount ballots cast at special bond election in county and is proper governmental instrumentality to conduct such recount. Code 3-5-33, 13-1-11, 13-1-13. State ex rel. Bumgarner v. County Court of Wirt County, 1962, 125 S.E.2d 883, 147 W.Va. 52. Counties ⚷ 178

In appraisement of votes cast at an election, it is unnecessary to isolate votes by challenge or otherwise, where, by proper and direct mathematical calculations, it can be ascertained by canvassing board, either on the canvass or the recount, how a certain number of illegal ballots in a precinct have been cast. Park v. Landfried, 1951, 63 S.E.2d 586, 135 W.Va. 361. Elections ⚷ 259

Members of county court, sitting as a board of canvassers, and on the recount, had right to and should have examined both applications of absentee voters and registration lists for purpose of determining whether absentee voters had made application for absentee ballots prior to 10 days preceding election, whether any voters were under age, as determined by their registration cards, whether any voters had not registered, and whether any voters had failed to register prior to 30 days preceding election. Code, 3-6-6, 3-6-8, 3-6-9, 3-6-10; Acts 1943, c. 50, art. 2, § 26. Park v. Landfried, 1951, 63 S.E.2d 586, 135 W.Va. 361. Elections ⚷ 259

§ 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.

Acts 1923, c. 14, § 14; Acts 1970, c. 9; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⚷183.
Municipal Corporations ⚷928.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183; 268k928; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1699.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

Construction with other provisions 1
Partial bond issuance 3
Right to vote 2

---

1. Construction with other provisions

Any departure from strict majority rule gives disproportionate power to minority, but state constitutional and statutory requirement that 60% of voters in referendum election approve bonded indebtedness or tax increase by political subdivision did not violate equal protection clause merely because votes of those who favored issuance of bonds would have proportionately smaller impact on outcome of election than votes of those who opposed issuance of bonds. U.S.C.A.Const.Amend. 14; Const.Ind. art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⚷ 232(2)

Three-fifths vote requirement of West Virginia Constitution and statutes dealing with elections held by political subdivisions of the state for determination of whether bond indebtedness should be incurred, and 60 percent vote requirement provided by West Virginia Constitution relating to elections to authorize local tax levying bodies to make additional levies for tax purposes in excess of levies provided for in Tax Limitation Amendment, conflict with and violate the Equal Protection Clause of United States Constitution and are therefore unconstitutional and unenforceable. Const. art. 10, §§ 1, 8; Code, §§ 11-8-16, 13-1-4, 13-1-14; U.S.C.A.Const. Amend. 14. Lance v. Board of Ed. of Roane County, 1969, 170 S.E.2d 783, 153 W.Va. 559, certiorari granted 90 S.Ct. 1264, 397 U.S. 1020, 25 L.Ed.2d 530, reversed 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ⚷ 11

2. Right to vote

An individual may not be denied access to ballot because of some extraneous condition such as race, wealth, tax status or military status. U.S.C.A.Const. Amend. 14. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ⚷ 11

3. Partial bond issuance

Under statute relating to an original bond issue, the legislature intended that a bond-issuing authority could issue less than the total

amount of bonds authorized at the election, if under all circumstances the projects authorized by the voters can still be completed. Code, 13–1–14. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(6)

School board's plan to issue only a part of remaining unissued original bonds, as part of its financing plan involving refunding bonds, was proper, where under refunding bond plan voters were obtaining school improvements they initially authorized without necessity of issuing entire amount of original bonds. Code, 13–1–14. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(6)

§ 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.

Acts 1923, c. 14, § 14.

Library References

Key Numbers
Counties ⟹187.
Municipal Corporations ⟹953.
Schools ⟹97(9).
Westlaw Key Number Searches: 104k187; 268k953; 345k97(9).

Encyclopedias
C.J.S. Counties § 226.
C.J.S. Municipal Corporations § 1706.
C.J.S. Schools and School Districts § 555.

§ 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 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.

Acts 1994, c. 13.

Library References

Key Numbers
Counties ⟹187.
Municipal Corporations ⟹951.
Schools ⟹97(9).
Westlaw Key Number Searches: 104k187; 268k951; 345k97(9).

Encyclopedias
C.J.S. Counties § 226.
C.J.S. Municipal Corporations §§ 1704 to 1705.
C.J.S. Schools and School Districts § 555.

§ 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 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 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.

Acts 1923, c. 14, § 15.

Library References

Key Numbers

Counties ⚷183(2).
Municipal Corporations ⚷924.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183(2); 268k924; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations §§ 1686 to 1688.
C.J.S. Schools and School Districts § 551.

§ 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.

Acts 1923, c. 14, § 16; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⟹185.
Municipal Corporations ⟹936.
Schools ⟹97(6).
Westlaw Key Number Searches: 104k185; 268k936; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1700.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

Bond registration 1
Mandamus 2

1. Bond registration

Statutes authorizing a bond-issuing authority to have bonds payable at the office of the State Treasurer and at such other places that the bond-issuing authority may designate provides sufficient authority to permit bonds to be registered at place of payment. Code, 13-1-14, 13-2-2; 26 U.S.C.A. § 103(j). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⟹ 113

"Registration of a bond" means that it is payable to a designated person rather than payable generally to the bearer. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⟹ 113

2. Mandamus

Once it is determined that a bond issue authorized by a governmental agency is lawful, mandamus will lie to compel secretary of the agency or other ministerial official responsible for executing the necessary documents to execute such documents. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Mandamus ⟹ 103

§ 13-1-18. 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.

Acts 1923, c. 14, § 17; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers
Counties ⚷185.
Municipal Corporations ⚷936.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k185; 268k936; 345k97(6).

Encyclopedias
C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1700.
C.J.S. Schools and School Districts § 551.

§ 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 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.

Acts 1923, c. 14, § 18.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers
Counties ⚷183(1).
Municipal Corporations ⚷927.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183(1); 268k927; 345k97(6).

Encyclopedias
C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1699.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

In general 1

---

1. In general

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(1)

§ 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.

Acts 1923, c. 14, § 19.

Library References

Key Numbers

Counties ⟹188.
Municipal Corporations ⟹955(1).
Schools ⟹97(10).
Westlaw Key Number Searches: 104k188; 268k955(1); 345k97(10).

Encyclopedias

C.J.S. Counties § 226.
C.J.S. Schools and School Districts § 556.

Notes of Decisions

Bond levy 1

1. Bond levy

Special bond levy is set annually based upon current year's appraised values, as evidenced by statute requiring bond-issuing authority to pay annually interest on such debt and principal thereof falling due in each year, such tax to be levied and collected by same officers, at same time and in same manner as the general taxes of the political division. Code, 13-1-4, 13-1-20. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 106

§ 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, 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.

Acts 1923, c. 14, § 20; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2; Acts 1992, c. 29.

Library References

Key Numbers

Counties ⟹182.
Municipal Corporations ⟹921.
Schools ⟹97(5).

Westlaw Key Number Searches: 104k182; 268k921; 345k97(5).

Encyclopedias

C.J.S. Counties § 225.

C.J.S. Municipal Corporations §§ 1679 to 1682.

C.J.S. Schools and School Districts §§ 546 to 548, 550, 554.

Notes of Decisions

Sale at discount 1

---

1. Sale at discount

Discount sale of a refunding bond is not prohibited under the Refunding Bond Act. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(5)

In the absence of some constitutional or statutory prohibition, right to sell bonds carries with it the right to sell at a discount. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⚷ 84

§ 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.

Acts 1923, c. 14, § 21.

Library References

Key Numbers

Counties ⚷182.

Municipal Corporations ⚷921(3).

Schools ⚷97(5).

Westlaw Key Number Searches: 104k182; 268k921(3); 345k97(5).

Encyclopedias

C.J.S. Counties § 225.

C.J.S. Municipal Corporations §§ 1683 to 1685, 1697 to 1698.

C.J.S. Schools and School Districts §§ 546 to 548, 550, 554.

Notes of Decisions

In general 1

---

1. In general

Innocent purchaser of waterworks bonds had no duty to see to proper application of proceeds of bond sales, in absence of knowledge of any infirmity and facts showing actual bad faith. Code W.Va. 13-1-22. St. Paul Fire & Marine Ins. Co. v. Town of Monongah, W. Va., 1962, 209 F.Supp. 514. Municipal Corporations ⚷ 948(7)

§ 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.

Acts 1923, c. 14, § 22.

Library References

Key Numbers
Counties ⟹180.
Municipal Corporations ⟹917.
Schools ⟹97(4.5).
Westlaw Key Number Searches: 104k180; 268k917; 345k97(4.5).

Encyclopedias
C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1658 to 1660.
C.J.S. Schools and School Districts § 530.

§ 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.

Acts 1923, c. 14, § 23.

Library References

Key Numbers
Counties ⟹183(3).
Municipal Corporations ⟹948.
Schools ⟹97(8).
Westlaw Key Number Searches: 104k183(3); 268k948; 345k97(8).

Encyclopedias
C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1723.
C.J.S. Schools and School Districts § 553.

§ 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, chapter fifty-nine of this Code, and the publication area for such publication shall be the political division.

Acts 1923, c. 14, § 24; Acts 1967, c. 105.

Library References

Key Numbers
Counties ⟹183(4).
Municipal Corporations ⟹917(2).
Schools ⟹97(4.5).

Westlaw Key Number Searches: 104k183(4); 268k917(2); 345k97(4.5).

Encyclopedias

C.J.S. Counties § 223.

C.J.S. Municipal Corporations §§ 1662 to 1663.

C.J.S. Schools and School Districts § 530.

Notes of Decisions

Determination by attorney general 2
Judicial review 3
Powers and duties of attorney general 1

1. Powers and duties of attorney general

Where Attorney General had no power to pass on validity of an agreement between Board of Education and town affecting title to land to be purchased from proceeds of a bond issue, Supreme Court of Appeals in reviewing decision of Attorney General disapproving bond issue could not determine the validity of agreement but was confined to determining whether proper procedural steps were taken with respect to proposed bond issue. Code 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

Power of Attorney General in approving or disapproving validity of a proposed bond issue was restricted to passing upon procedural steps taken by political subdivision and Attorney General had no power to pass on validity of a contract and agreement affecting title to land to be purchased from proceeds of bond issue. Code, 13-1-25. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Attorney General ⟹ 6

2. Determination by attorney general

Where record disclosed no actual defect in submission of bond issue to voters of town and ascertainment of result of election held pursuant to such submission and no irregularity was disclosed in proposed issuance of bonds, proposed bond issue would be held valid on review of Attorney General's decision disapproving bond issue without regard to proposed expenditure of funds to be raised from sale of bonds. Code, 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

3. Judicial review

Under statutory proceeding for review of Attorney General's approval or disapproval of bond issues, court generally will not undertake supervision of expenditure of funds to be procured as result of bond issue. Code, 13-1-25. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

The statutes pertaining to county bond issues contemplate that when an Attorney General has ruled as to validity of bond issue, his action may be reviewed by Supreme Court of Appeals. Code 1931, 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⟹ 183(4)

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⟹ 107

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⟹ 6

§ 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, 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.

Acts 1923, c. 14, § 24.

Library References

Key Numbers

Counties ⟹183(4).
Municipal Corporations ⟹917(2).
Schools ⟹97(4.5).
Westlaw Key Number Searches: 104k183(4); 268k917(2); 345k97(4.5).

Encyclopedias

C.J.S. Counties § 223.
C.J.S. Municipal Corporations §§ 1662 to 1663.
C.J.S. Schools and School Districts § 530.

Notes of Decisions

Adequacy of submission to voters 4
Construction and application 1
Declaratory relief 6
Effect of determination by supreme court 5
Mandamus 7
Petitions for review 2
Scope of judicial review 3

---

1. Construction and application

The statutes pertaining to county bond issues contemplate that when an Attorney General has ruled as to validity of bond issue, his action may be reviewed by Supreme Court of Appeals. Code 1931, 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⟹ 183(4)

2. Petitions for review

In statutory proceeding to review action of Attorney General approving municipal bond issue, amended and supplemental petitions filed after expiration of ten days provided for appeal after last date of publication of Attorney General's notice approving or disapproving bond issue, would be considered as seasonable where defendant was not prejudiced. Code, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 917(2)

Where supplemental and amended petition seeking reversal of Attorney General's approval of bond issue by municipality did not add new parties to proceeding and alleged only occurrences since filing of original petition, not included in file forwarded to Attorney General upon which his approval was based, allegations did not go to the merits. Code, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 917(2)

3. Scope of judicial review

Where Attorney General had no power to pass on validity of an agreement between Board of Education and town affecting title to land to be purchased from proceeds of a bond issue, Supreme Court of Appeals in reviewing decision of Attorney General disapproving bond issue could not determine the validity of agreement but was confined to determining whether proper procedural steps were taken with respect to proposed bond issue. Code 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

4. Adequacy of submission to voters

Where record disclosed no actual defect in submission of bond issue to voters of town and ascertainment of result of election held pursuant to such submission and no irregularity was disclosed in proposed issuance of bonds, proposed bond issue would be held valid on review of Attorney General's decision disapproving bond issue without regard to proposed expenditure of funds to be raised from sale of bonds. Code, 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

Municipal bond issue proposal submitted to voters by common council, was not required to contain statement that city would be provided with sufficient revenue to pay its costs and keep aggregate levies within legal limits, including those authorized to satisfy bonded indebtedness authorized by election order. Code, 13-1-4, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 918(2)

A city bond issue for different projects cannot be sustained unless ordinance submitting proposed issue to vote of people clearly specifies amounts to be used for the several projects, respectively. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⟹ 918(2)

Where ordinance submitting a municipal bond issue for people's approval proposed in effect that approximately 55 per centum of cost of each of three municipal projects, to be financed in part by federal grant, should be paid for out of proceeds of sale of bonds, but form of ballot used at election provided for expenditure of larger sums on two of projects, there was failure of substantial compliance with statute requiring specification in ordinance of amounts to be used for each project, and bonds were improperly approved by Attorney General. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⟹ 918(2)

5. Effect of determination by supreme court

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⟹ 107

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⟹ 6

6. Declaratory relief

Where board of education conveyed land to town in consideration that town would deliver lease if land were conveyed to United States and reconveyed to town, and thereafter United States condemned land, and town made conditional offer to repurchase which was accepted, but town before spending money raised by bond issue to effect the repurchase sought to compel board to release town from leasing agreement or for declaratory relief, no "justiciable controversy" was presented and court was without jurisdiction to pronounce any decree except one of dismissal, notwithstanding doubt as to whether funds could be applied to purchase of land subject to leasing agreement. Acts 1941, c. 26; Code, 13-1-25, 26. Town of South Charleston v. Board of Ed. of Kanawha County, 1948, 50 S.E.2d 880, 132 W.Va. 77. Declaratory Judgment ⟹ 186

7. Mandamus

Under Acts 1917, c. 57, § 3, Code Supp.1918, c. 47a, § 7a III (section 2501c), the Supreme Court of Appeals may by mandamus or other original writ review and control the judgment of the attorney general in approving a proposed bond issue of the county court of Marshall county for building and improving certain roads of Cameron district therein, as his duties therein under Acts 1917, c. 66, Code Supp.1918, c. 43, §§ 1-82, 83-183 (sections 1940-1 to 1940-82, 1940-83 to 1940-183), making him legal adviser of state road commission created thereby and requiring him to prepare for it all contracts, etc., when required, are only supervisory and ministerial, without discretion to act unlawfully or arbitrarily. State ex rel. Allen v. England, 1920, 103 S.E. 400, 86 W.Va. 508. Mandamus ⟹ 103

§ 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.

Acts 1923, c. 14, § 24.

Library References

Key Numbers

Counties ⚷183(3).
Municipal Corporations ⚷948.
Schools ⚷97(8).
Westlaw Key Number Searches: 104k183(3); 268k948; 345k97(8).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1723.
C.J.S. Schools and School Districts § 553.

Notes of Decisions

In general 1

---

1. In general

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⚷ 107

General obligation bonds issued by city of Grafton, proceeds of which were to be used by defraying a part of expenses of completing hospital owned by city, were valid, in view of manner in which election authorizing issuance of bonds was conducted, and that validity of bond issue was approved by attorney general and copy of his approval published in two newspapers of opposite politics and that no petition praying that attorney general's action be reversed was filed. Code 1931, 13-1-27. Warden v. City of Grafton, 1943, 26 S.E.2d 1, 125 W.Va. 658. Municipal Corporations ⚷ 918(4)

§ 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 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.

Acts 1923, c. 14, § 24.

Library References

Key Numbers
Counties ⚷183(2).
Municipal Corporations ⚷927.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183(2); 268k927; 345k97(6).

Encyclopedias
C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1699.
C.J.S. Schools and School Districts § 551.

§ 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.

Acts 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.

Acts 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.

Acts 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 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.

Acts 1923, c. 14, § 26.

Library References

Key Numbers

Counties ⚷173.1.
Municipal Corporations ⚷914.
Schools ⚷97(3).
Westlaw Key Number Searches: 104k173.1; 268k914; 345k97(3).

Encyclopedias

C.J.S. Counties § 219.
C.J.S. Municipal Corporations §§ 1654, 1656 to 1657.
C.J.S. Schools and School Districts §§ 525 to 526.

§ 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 of this Code, shall be exempt from all taxation by the State or by any political subdivision thereof.

Library References

Key Numbers

Taxation ⚷218.
Westlaw Key Number Search: 371k218.

Encyclopedias

C.J.S. Taxation § 260.

Notes of Decisions

In general 1

---

1. In general

Bonds issued by the political subdivisions of this state, not exempted from taxation by law or by contract, are taxable by the state in the same manner as other property. State v. Page, 1925, 130 S.E. 426, 100 W.Va. 166, 44 A.L.R. 501. Taxation ⚷ 190

§ 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.

Acts 1959, c. 132; Acts 1988, 3rd Ex. Sess., c. 7.

Library References

Key Numbers
Schools ⟹97(9).
Westlaw Key Number Search: 345k97(9).

Encyclopedias
C.J.S. Schools and School Districts § 555.

Notes of Decisions

In general 1

---

1. In general

The better schools amendment of constitution related only to levies for public school purposes, and did not authorize an airport bond levy in excess of maximum limits authorized by tax limitation amendment to the constitution, and statute, to extent it undertook to confer additional levying power upon county courts was unconstitutional, and levies made by county court in pursuance thereof were invalid. Const. art. 10, § 10; Code, 13-1-35. Appalachian Power Co. v. County Court of Mercer County, 1961, 118 S.E.2d 531, 146 W.Va. 118. Counties ⟹ 190.2

§ 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, 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 from 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.

Acts 1959, c. 133.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⚷190.2.

Municipal Corporations ⚷964.

Westlaw Key Number Searches: 104k190.2; 268k964.

Encyclopedias

C.J.S. Counties § 227.

C.J.S. Municipal Corporations §§ 1745 to 1746.

Notes of Decisions

In general 1

---

1. In general

The better schools amendment of constitution related only to levies for public school purposes, and did not authorize an airport bond levy in excess of maximum limits authorized by tax limitation amendment to the constitution, and statute, to extent it undertook to confer additional levying power upon county courts was unconstitutional, and levies made by county court in pursuance thereof were invalid. Const. art. 10, § 10; Code, 13–1–35. Appalachian Power Co. v. County Court of Mercer County, 1961, 118 S.E.2d 531, 146 W.Va. 118. Counties ⚷ 190.2

West's

Annotated Code of West Virginia

Using the Classification and Numbering System of the 1931 Code of West Virginia, as Amended

Chapters 12 to 15

2010
Cumulative Annual Pocket Part

Replacing 2009 Pocket Part supplementing 2002 Main Volume

Includes laws through the 2010 Regular Session

WEST®
A Thomson Reuters business

Mat #41038357

Historical and Statutory Notes

Former section: A former § 12-8-15, which related to judicial determination and was derived from Acts 2000, c. 192, was repealed by Laws 2002, c. 258.

§ 12-8-16. Severability

Validity

This Act has been held unconstitutional in the case of Perdue v. Wise, 607 S.E.2d 424, 216 W.Va. 318. See Notes of Decisions.

Notes of Decisions

Validity 1

1. **Validity**

Pension Liability Redemption Act, authorizing issuance of general revenue bonds for the redemption of unfunded actuarial accrued liability (UAAL) of the Judicial Retirement System, State Troopers Retirement System, and the Teachers Retirement System, was unconstitutional, in that implementation of its provisions would result in violation of debt clause of the State constitution. Perdue v. Wise, 2004, 607 S.E.2d 424, 216 W.Va. 318. States ⟹ 64.1(2); States ⟹ 115

State's issuance of $3.9 billion in general revenue bonds pursuant to the Pension Liability Redemption Act, in order to "redeem" the unfunded actuarial accrued liability (UAAL) of the Judicial Retirement System, State Troopers Retirement System, and the Teachers Retirement System, did not redeem a "previous liability of the State" within meaning of exception to constitutional ban on the State incurring debt, and thus issuance of the bonds violated debt clause of the State constitution; retirement funds were currently actuarially sound, and there was no present indebtedness resulting from the actual discharge of debt attributable to the funds. Perdue v. Wise, 2004, 607 S.E.2d 424, 216 W.Va. 318. States ⟹ 120

CHAPTER 13

PUBLIC BONDED INDEBTEDNESS

Article		Section
1.	BOND ISSUES FOR ORIGINAL INDEBTEDNESS	13-1-2
2C.	INDUSTRIAL DEVELOPMENT AND COMMERCIAL DEVELOPMENT BOND ACT	13-2C-3
2D.	AIRPORT DEVELOPMENT BOND ACT	13-2D-3
2G.	STATE REFUNDING BOND ACT	13-2G-14
2H.	LOTTERY REVENUE BOND ACT	13-2H-1
4.	FEDERAL SUBSIDY BONDS	13-4-1

ARTICLE 1

BOND ISSUES FOR ORIGINAL INDEBTEDNESS

Section		Section	
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 endorsement.
13-1-4.	Bond issue proposal to be submitted to voters; election order.	13-1-17.	Bonds shall be registered.
13-1-14.	Resolution authorizing issuance and fixing terms of bonds.	13-1-18.	Repealed.
13-1-15.	Bonds to be payable in annual or semi-annual installments.	13-1-19.	Signing, sealing and delivery of bonds.
13-1-15a.	Bonds may be subject to redemption.	13-1-21.	Advertisement and sale of bonds.

§ 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, or for the acquiring, constructing, maintaining, repairing, improving public roads and transportation facilities, 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.

Acts 1923, c. 14, § 2; Acts 1941, c. 8; Acts 1945, c. 17; Acts 1974, c. 8; Acts 2010, c. 199, eff. June 11, 2010.

Notes of Decisions

School board purchases 4

4. School board purchases

County board of education may not issue general obligation bonds to purchase text books. 51 W.Va. Op.Atty.Gen. 323 (May 28, 1965) 1965 WL 92447.

§ 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 are first submitted to a vote of the qualified electors of the political division for which the bonds are to be issued, and receive three fifths of all the votes cast for and against the same: *Provided*, That a county board of education may contract indebtedness and issue bonds for public school purposes when submitted to a vote of the people of the county if the question of contracting indebtedness and issuing bonds is approved by a majority of all the votes cast for and against the same pursuant to section ten, article X of the constitution. 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 for Governor, or in a municipal corporation or school district for mayor or member 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 connect
order shall state:

(a) The necessity for issuir
that the petition has been file

(b) If for the construction
engineer's report provided fc
and the estimated cost of the
thereon;

(c) Purpose or purposes fo

(d) Valuation of the taxabl
county purposes;

(e) Indebtedness, bonded o

(f) Amount of the proposed

(g) Maximum term of bond

(h) Maximum rate of intere

(i) Date of election;

(j) That the levying body i
the payment of the interest u
rate of levy necessary for this

(k) In the case of schoo
indebtedness, will not excee
property in the school distri
constitution; and that the bo
in each year on all taxable p
the interest maturing on the
within, and not exceeding th
and in addition to the maxim
classes of property in section
the maximum rates are levie
outside the limits fixed by sec

Any other provision which
of public policy, may be incor

Acts 1923, c. 14, § 4; Acts 1951,

§ 13-1-7. When electio

In general 1

1. In general

It is unconstitutional for schoo
questions to be voted upon at an

division all questions connected with the contracting of debt and the issuing of bonds. The order shall state:

(a) The necessity for issuing the bonds or, if a petition has been filed as provided herein, that the 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 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;

(h) Maximum rate of interest;

(i) Date of election;

(j) 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;

(k) In the case of school bonds, that the bonds, together with all existing bonded indebtedness, will not exceed in the aggregate five percent of the value of the taxable property in the school district ascertained in accordance with section eight, article X of the constitution; and that the bonds will be payable from a direct annual tax levied and collected in each year on all taxable property in the school district sufficient to pay the principal and the interest maturing on the bonds in that 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 one, article X of the constitution, but in the same proportions as the maximum rates are levied on the several classes of property; and the tax may be levied outside the limits fixed by section one, 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.

Acts 1923, c. 14, § 4; Acts 1951, c. 153; Acts 1959, c. 132; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-7. When election to be held

Notes of Decisions

In general 1

1. In general

It is unconstitutional for school bond and/or levy questions to be voted upon at an election called by a county board of education to be held on the same day as that already designated by the Legislature for holding a special election for the purpose of considering the ratification or rejection of proposed constitutional amendments. 55 W.Va. Op. Atty.Gen. 98 (April 9, 1973) 1973 WL 159147.

§ 13-1-11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks

Notes of Decisions

Polling places 4

4. Polling places

The duty to provide polling places in a special election for school purposes is imposed on a county court rather than on the board of education of that county. 53 W.Va. Op.Atty.Gen. 263 (July 25, 1969) 1969 WL 100556.

§ 13-1-14. Resolution authorizing issuance and fixing terms of bonds

If the required amount of all the votes, pursuant to section four of this article, cast for and against the proposition to incur debt and issue negotiable bonds is in favor of the same, the governing body of the political division shall, by resolution, authorize the issuance of the bonds in an amount not exceeding the amount stated in the proposition; establish the maximum rate or rates of interest which the bonds shall bear within the maximum rate stated in the proposition submitted to vote; require that the bonds shall be made payable at the office of the Municipal Bond Commission and at any other place or places as the body issuing the same designates; 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 will be subject to redemption prior to the maturity thereof; and prescribe a form for executing the bonds authorized.

Acts 1923, c. 14, § 14; Acts 1970, c. 9; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-15. Bonds to be payable in annual or semiannual installments

Bonds shall be made payable in annual or semiannual installments beginning not more than three 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. Once principal payments commence, it shall be an immaterial variance if the difference between the largest and smallest amounts of principal and interest payable annually or semiannually during the term of the bonds shall not exceed five percent of the total authorized issue. Bonds may be payable in annual or semiannual installments beginning not more than three years after the date thereof, each installment being as nearly equal in principal amount as practicable.

Acts 1923, c. 14, § 14; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-15a. Bonds may be subject to redemption

All or a portion of the bonds may be subject to redemption prior to the maturity thereof at the option of the body issuing the same as established by resolution of the governing body authorizing the bonds. 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 the bonds in any year.

Acts 1994, c. 13; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-16. Recital of certification that bonds are issued in conformity with constitution and statutes; effect thereof with Attorney General's endorsement

The resolution authorizing the bonds provided for in section fourteen of this article may direct that they 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."

The recital, when the bonds h
section twenty-eight of this artic
body of the political division and
for incurring the debts and issui
that all the acts, conditions and
to and in the issuance of the bon
form and manner as required by
forms a part, together with al
prescribed by the constitution or
incurring the debt and issuing th
have received the required amo
cast for and against the same a
notice published and posted in t
the recital, and also containing
be conclusively presumed that t
is true and neither the politic
question the validity or regul
proceeding.

Acts 1923, c. 14, § 15; Acts 2009, c.

§ 13-1-17. Bonds shall be

The bonds issued hereunder
registration privileges as set fo

Acts 1923, c. 14, § 16; Acts 1990, 3
23, eff. July 9, 2009.

§ 13-1-18. Repealed by A

The repealed section, which rela
tration of coupon bonds as to
exchange of registration bonds f
was derived from:

§ 13-1-19. Signing, seali

All bonds issued under this
county commission and counte
any municipality shall be sign
the clerk, recorder or secreta
by the president of the board
seal of the political division
executed at any time thereaft
signing the bonds shall have

Acts 1923, c. 14, § 18; Acts 2009,

§ 13-1-21. Advertiseme

The governing body of the
the same and collect the pro
governing body of the politic
electronic bids if the govern
advertisement shall be publ
provisions of article three,
publication shall be the polit
days before the date fixed
published in the *Bond Buye*
electronically: *Provided*, T
abbreviated notice of the sa

The recital, when the bonds have been endorsed by the Attorney General as provided in section twenty-eight of this article, are considered 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 the required amount of all the votes, pursuant to section four of this article, 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 recital, and also containing the endorsement of the Attorney General as aforesaid, it shall be conclusively presumed that the 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.

Acts 1923, c. 14, § 15; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-17. Bonds shall be registered

The bonds issued hereunder shall be issued only in fully registered form and shall carry registration privileges as set forth in the resolution authorizing the bonds.

Acts 1923, c. 14, § 16; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-18. Repealed by Acts 2009, c. 23, eff. July 9, 2009

Historical and Statutory Notes

The repealed section, which related to the registration of coupon bonds as to interest and the exchange of registration bonds for coupon bonds, was derived from:

Acts 1923, c. 14, § 17.
Acts 1990, 3rd Ex. Sess., c. 5.
Acts 1998, c. 320.

§ 13-1-19. Signing, sealing and delivery of bonds

All bonds issued under this article by any county shall be signed by the president of the county commission and countersigned by the clerk of the county commission; 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 county board of education 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 the bonds. The delivery of any bonds so executed at any time thereafter shall be valid, although before the date of delivery the person signing the bonds shall have ceased to hold office.

Acts 1923, c. 14, § 18; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-21. Advertisement and sale of bonds

The governing body of the political division issuing bonds pursuant to this article 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 or electronic bids if the governing body elects to utilize an electronic bidding procedure, which advertisement shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code and the publication area for the 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. The advertisement shall also be published in the *Bond Buyer* or similar publication and the advertisement may be published electronically: *Provided,* That all advertisements required by this section may consist of an abbreviated notice of the sale of the bonds. The governing body may reject any and all bids.

If the bonds are not sold pursuant to the 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 is received. If not sold, the bonds shall be readvertised in the manner herein provided. In no event shall bonds be sold for less than their par value.

Acts 1923, c. 14, § 20; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2; Acts 1992, c. 29; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-22. Purposes for which proceeds to be used; purchaser need not see to application thereof

Notes of Decisions

1. In general

A county court may not expend bond issue proceeds for a project unrelated to projects specifically approved by a vote of the people. 53 W.Va. Op.Atty.Gen. 215 (May 28, 1969) 1969 WL 100544.

ARTICLE 2C

INDUSTRIAL DEVELOPMENT AND COMMERCIAL DEVELOPMENT BOND ACT

Section

13-2C-3. Definitions.

13-2C-3a. Continuation of industrial revenue bond allocation review committee; appointment, terms of members; voting; expenses; duties.

13-2C-21. Ceiling on issuance of private activity bonds; establishing procedure for allocation and disbursements; reservation of funds; limitations; unused allocation; expirations and carryovers.

§ 13-2C-1. Short title

Notes of Decisions

In general 2

1. Validity of article

By special legislation, Doddridge, Pleasants, and Tyler County courts may transfer property to Middle Island Development Authority without consideration. 51 W.Va. Op.Atty.Gen. 201 (February 19, 1965) 1965 WL 92422.

2. In general

County court authorized to issue bonds for acquiring industrial plants; can act with federal organizations in advancement of industrial development; may transfer county property for adequate consideration; may not condemn private property for industrial development; is not prohibited from using county finances as matching funds. 53 W.Va. Op.Atty.Gen. 276 (August 15, 1969) 1969 WL 100559.

§ 13-2C-3. Definitions

Unless the context clearly indicates otherwise, as used in this article:

(a) "Commercial project" means real or personal property or both, including any buildings, improvements, additions, extensions, replacements, appurtenances, lands, rights in land, water rights, franchises, machinery, equipment, furnishings, landscaping, utilities, railroad spurs and sidings, parking facilities, farms, parking wharfs, approaches and roadways or any number or combination of the foregoing necessary or desirable in connection with a commercial enterprise or incidental thereto and includes, without limiting the generality of the foregoing, hotels and motels and related facilities, nursing homes and other health care facilities, facilities for participatory or spectator sports, conventions or trade show facilities, airport facilities, shopping centers, office buildings, residential real property for family units, and mass commuting facilities, dormitories, apartments and other housing facilities for the students and faculties of institutions of higher education, instructional buildings and other facilities used in connection with nonpublic institutions of higher education, facilities providing

housing for the elderly, inclu
facilities and adult residential f

(b) "Committee" means th
section three-a of this article.

(c) "County commission" m
article VIII [correct referen
Constitution.

(d) "Governmental body" n
sanitary district, political sub
created, having power to issue

(e) "Industrial project" me
wharf or port facilities, fixture
personal property, or any c
processing, assembly, manufa
facility, or facilities for the e
related facilities, or sewage
furnishing of electric energy
reasonable demand to membe
to any of the foregoing, or res
facility and includes the rec
industrial project for the abate

(f) "Industrial pollution" me
thermal effects or combinatio
ing, trade or business or fr
resources which pollute the lar

Acts 1963, c. 78; Acts 1967, c. 156; Acts 1987, c. 17; Acts 1994, c. 14.

1. Industrial project

Power of county court and mu
Industrial Development Bond stat
nue bonds to provide industrial p

§ 13-2C-3a. Continuatio mittee; a duties

(a) There is continued the V
tee consisting of the membe
authority created by article fif

(b) Members are not entitle
entitled to reimbursement for
performance of their duties;
meetings of both the board o
West Virginia industrial reve
held on the same day.

(c) A majority of the memb
conducting business. The affi
necessary for any action taker
the committee impairs the rig
duties of the committee.

(d) The committee shall r
submitted to the development
subsections (d) and (e), sectio
state allocation (as defined i