$42,615,000

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

PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

DATE OF CLOSING: JULY 10, 2012

Bowles Rice LLP
ATTORNEYS AT LAW

$42,615,000

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

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DATE OF CLOSING: JULY 10, 2012

BOND TRANSCRIPT

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A RESOLUTION AND ORDER PROVIDING FOR AND AUTHORIZING THE ADVANCE REFUNDING OF THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA PUBLIC SCHOOL BONDS, SERIES 2004, OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY $43,905,000 AND THE ISSUANCE FOR SUCH PURPOSE OF NOT TO EXCEED $49,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012; AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE TERMS OF SUCH BONDS; AUTHORIZING AND APPROVING AN ESCROW AGREEMENT AND OTHER INSTRUMENTS RELATIVE TO THE BONDS; AUTHORIZING AND APPROVING THE EXECUTION OF A BOND PURCHASE AGREEMENT; APPOINTING A REGISTRAR AND A PAYING AGENT; PROVIDING DIRECTION FOR THE DISPOSITION OF THE PROCEEDS OF THE BONDS AND FUNDS ON DEPOSIT WITH THE WEST VIRGINIA MUNICIPAL BOND COMMISSION AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, by Resolution and Order Directing Issuance of the Bonds duly adopted by the Board of Education and pursuant to a special election held October 4, 2003, The Board of Education of the County of Monongalia (West Virginia) (the "Board"), authorized and directed the issuance of $50,000,000 in aggregate principal amount of The Board of Education of the County of Monongalia Public School Bonds, Series 2004, dated May 1, 2004 (the "Prior Bonds");

WHEREAS, Chapter 13, Article 2, of the West Virginia Code of 1931, as amended (the "Refunding Act"), authorizes, in the manner and subject to the limitations and conditions contained in the Refunding Act, the issuance and sale of refunding bonds by the Board to provide for the payment of the Prior Bonds in advance of the maturity thereof through the deposit with the West Virginia Municipal Bond Commission (the "Commission") of moneys or specified governmental obligations sufficient to pay, when and as due, all principal of and interest on the Prior Bonds;

WHEREAS, it has been proposed that the Monongalia County School District (the "School District") currently refund the Prior Bonds (the "Refunding") pursuant to the Refunding Act through the issuance of its not to exceed $49,000,000 in aggregate principal amount of The Board of Education of the County of Monongalia Public School Refunding Bonds, Series 2012 (whether issued in one or more bonds, the "Refunding Bonds"), as in this Resolution and Order (the "Resolution") provided;

WHEREAS, the Board has on deposit with the Commission, as of the date hereof, approximately $1,292,803 in funds on deposit in the Surplus Collections Account from taxes

levied and collected with respect to the Prior Bonds, which amount is subject to increase prior to the Closing on the Refunding Bonds (the "Surplus Funds"). The Board will use such amount of such deposit as shall be determined in consultation with the Underwriter, herein-after defined, and with the consent of the Commission, together with proceeds of the Refunding Bonds, for some or all of the following purposes: (i) accomplishing the Refunding of the Prior Bonds, (ii) leaving a portion of such funds on deposit in connection with the Refunding Bonds, and/or (iii) for application to projects authorized in connection with the Prior Bonds;

WHEREAS, the Board desires to appoint Piper Jaffray & Co. as the underwriting firm in connection with the issuance and sale of the Refunding Bonds (the "Underwriter");

WHEREAS, after due consideration, the Board has determined that it is in the best interests of the Board and the citizens and residents of the Monongalia County School District (the "School District") that the Refunding be accomplished and that the Refunding Bonds be sold pursuant to the BPA, as hereinafter provided;

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

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

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

1. There is hereby authorized and directed the Refunding of the Prior Bonds, as hereinafter provided, subject to subsequent action to be taken by the President of the Board, as herein provided.

2. For the purpose of providing for the Refunding, the Board acting for and on behalf of the School District hereby authorizes and orders the issuance of the Refunding Bonds in the aggregate principal amount not to exceed $49,000,000. The Refunding Bonds shall be designated "The Board of Education of the County of Monongalia Public School Refunding Bonds, Series 2012."

3. The Refunding Bonds shall be dated such date upon original issuance, shall be numbered, shall bear interest payable semiannually on November 1 and May 1 of each year, commencing November 1, 2012, and shall mature in such principal amounts on such dates and shall be subject to such redemption provisions as shall be approved by the President. Provided that the principal amount of the Refunding Bonds shall not exceed $49,000,000, the interest rate shall not exceed five and one-half percent (5 1/2%) *per annum* and the final maturity date shall not be later than May 1, 2033.

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

5. The Refunding Bonds shall be issued in fully registered form without coupons, in the denominations of $5,000.00 or integral multiples thereof for any year of maturity, shall be numbered from R-1 consecutively upward in order of maturity and shall be substantially in the form set forth in **EXHIBIT A - BOND FORM,** attached hereto and incorporated herein by reference, with such variations as are approved by those officers executing such Refunding Bonds on behalf of the Board, such execution by such officers to constitute conclusive evidence of such approval. The Refunding Bonds shall be signed by and on behalf of the Board by the President and be countersigned by the Secretary which signatures may be either manual or facsimile signatures, and the seal of the Board or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Refunding Bonds shall be manually signed by the Registrar.

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

7. The President of the Board shall have the authority to approve the pricing and other final terms of the Refunding Bonds, including the determination of whether to issue the Refunding Bonds.

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

9. The Refunding Bonds shall be transferable only upon the books kept for that purpose by the Registrar (the "Bond Register") by an authorized representative of the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by an authorized representative of the registered owner or his duly authorized attorney. The Refunding Bonds may also be exchanged at the option and expense of the registered owner thereof at the office of the Registrar. Upon exchange or transfer of any Refunding Bond, there shall be issued, at the option of the registered owner or the transferee, another fully registered Refunding Bond or Bonds, in such authorized denomination or denominations as may be requested, of the aggregate principal amount equal to the amount of the exchanged or transferred Refunding Bond. Notwithstanding the foregoing, at the option of the registered owner thereof, Refunding Bonds may be transferred and exchanged, but only in the manner set forth above, at the office of the Board of Investments, as registrar and paying agent. A duplicate Bond Register shall be kept by the Board of Investments, and notice of any transfer or exchange made by the Registrar shall be immediately given by it to the Board of Investments and vice versa.

10. The principal of any Refunding Bond shall be payable upon maturity to the registered owner thereof upon surrender of such Refunding Bond at the principal corporate trust office of the Registrar; provided that, at the option of the registered owner, any Refunding Bond may be submitted to the office of the Board of Treasury Investments. Interest on each Refunding Bond is payable by check or draft mailed or, at the option of the Registrar or the Board of Treasury Investments, by wire transfer by the Registrar, from funds transmitted by the Commission, to the registered owner of such Refunding Bond at his address as it appears on the Bond Register at the close of business on the 15th day of the month (regardless of whether such 15th day is a Saturday, Sunday or legal holiday) preceding any interest payment date.

11. Piper Jaffray & Co. is hereby appointed as Underwriter (the "Underwriter") for the Refunding Bonds. The Refunding Bonds shall be sold to the Underwriter. The President shall, subject to the provisions contained in this Resolution and Order, execute and deliver a BPA in such form as may be approved by the President upon the advice of Bond Counsel and Counsel to the Board. Execution of the BPA by the President shall be conclusive evidence of any approval required by this Section.

12. The delivery of a PRELIMINARY OFFICIAL STATEMENT substantially in the form set forth in Exhibit B, attached hereto and incorporated herein by

reference, with such changes, amendments and supplements as may be approved by the President of the Board, is ratified and confirmed.

13. The firm of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, is hereby confirmed as having been engaged for the purpose of serving as Bond Counsel with respect to the Refunding Bonds.

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

15. The School District hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Refunding Bonds or any other funds of the School District to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Refunding Bonds or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The President of the Board is authorized and directed to execute and deliver such further instruments as shall be required to provide further assurance of the School District's compliance with the covenant.

16. The action of the Underwriter on behalf of the Board Secretary in notifying the Executive Director of the Commission of the intention to accomplish the proposed Refunding and requesting and authorizing the withdrawal of the amount of the Surplus Funds as shall then be on deposit at the time of consummation of the Refunding, or such portion thereof as shall be deemed advisable by the Board Secretary, in consultation with the Underwriter, is herewith approved, ratified and authorized. The delivery of such letter to the Commission and the withdrawal of the Surplus Funds, or such portion thereof as shall be deemed appropriate by the Board Secretary in consultation with the Underwriter, are hereby in all respects authorized, approved and directed. The Board further authorizes the President and the Secretary, upon consultation with the Underwriter and with the consent of the Commission, to authorize the actual amounts of the Surplus Funds to be transferred to the Escrow Agreement to assist in completing the Refunding and for use in projects authorized in connection with the Prior Bonds.

17. The Surplus Funds in the amount determined to be used in furtherance of the Refunding herein authorized shall be applied to redeeming Prior Bonds and thus reduce the amount required from the Refunding Bonds herein authorized. Upon defeasance of the Prior Bonds, Surplus Funds and proceeds of the Refunding Bonds shall be deposited into an escrow account with the Commission pursuant to an escrow agreement (the "Escrow Agreement") and used to call the Prior Bonds for redemption on or about March 3, 2014 with the redemption date of the Prior Bonds being May 1, 2014. Surplus Funds not used in the refunding or required to be maintained at the Commission will be expended on Projects authorized by the Prior Bonds. The Board is hereby authorized to enter into the Escrow Agreement.

18. The President, the Secretary and all other officers of the School District are hereby authorized and directed to execute and deliver the Escrow Agreement as approved by Bond Counsel and Counsel for the School District and to execute and deliver such other documents and certificates required or desirable in connection with the Refunding, hereby and by this Ordinance approved and provided for, including, if needed, subscription forms for the purchase of United States Government Securities, State and Local Government securities, a Depository Trust Company Letter of Representations and any forms or documents necessary to qualify the Refunding Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Refunding Bonds may be delivered at the earliest practicable date pursuant to the BPA.

19. Notwithstanding the provisions of any order or resolution of the Board heretofore adopted or entered, the Board hereby authorizes proceeds of the Refunding Bonds and the Prior Bonds, together with any Deposited Funds and tax revenues earmarked for payment of debt service on the Prior Bonds to be deposited with the Commission, as escrow agent, and invested by the Commission in State and Local Government Securities or other appropriate United States Government Securities.

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

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

22. The President of the Board is hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Refunding Bonds to be duly and properly issued by the Board and delivered to the purchaser(s) as herein authorized and to otherwise facilitate the transaction contemplated by this Resolution and Order and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required, including without limitation,

effectuating the sale of the Refunding Bonds by signing a completed BPA in substantially the form as shall be approved by the President.

23. This RESOLUTION and ORDER shall take effect immediately upon its adoption.

Adopted on the 24TH day of April, 2012.

THE BOARD OF EDUCATION OF THE
COUNTY OF MONONGALIA

By: Barbara Parsons
Its: President

Attest:
Fred A. Reed Ed.D.
Its: Secretary

EXHIBIT A - BOND FORM

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

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA [WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
____.____%	May 1, ____	_____, 2012

REGISTERED OWNER: CEDE & Co. CUSIP

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation organized and existing under the laws of the State of West Virginia (the "Board"), for value received, hereby promises to pay, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), in installments on May 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Registered Owner and payment therefor, and until payment of such installment, and such interest shall be payable in each year at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until paid in full. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Order and Resolution.

Installments of this Bond shall be payable to the Registered Owner at the principal office of the Treasurer of the State of West Virginia. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying

agent. Interest on this Bond is payable by check, or draft, mailed or by wire transfer by the Paying Agent to the Registered Owner hereof at his address as it appears on the books kept for that purpose by United Bank, Inc., as the registrar (the "Bond Register") at the close of Business on the 15th day of the month (regardless of whether such 15th day is a Saturday, Sunday or legal holiday) preceding such interest payment date.

This Bond is transferable only upon the Bond Register by an authorized representative of the Registered Owner in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar or the Board of Investments, as the case may be, duly executed by the Registered Owner or his duly authorized representative, and upon such other terms and payment of such costs as are provided in the Resolution, as hereinafter defined.

This Bond is authorized to be issued in the aggregate principal amount of $_____ (the "Bonds"), by an Order and Resolution adopted by the Board on April __, 2012 (the "Order"). The Bonds are issued for the purpose of advance refunding all of The Board of Education of the County of Monongalia Public School Bonds, Series 2004 currently outstanding in the aggregate principal amount of [$_____] (the "Prior Bonds").

It is hereby certified that this Bond is authorized by and issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended. It is hereby further certified that legal provision has been made by the Board for the levy and collection of a direct annual tax sufficient in amount to pay the principal hereof and the interest hereon, as and when payable, which tax shall have precedence over all other taxes levied for any purpose of the Board except the payment of interest and sinking fund requirements on bonds heretofore issued, or which may be hereafter authorized and issued, there being no outstanding indebtedness of the Board created prior to October 1, 1938; that said tax is levied within the limits fixed by Section 1, Article X of the Constitution of West Virginia; that said levies do not exceed any constitutional or statutory limitations; and that the amount of the Refunding Bonds, together with all other bonded indebtedness of the Board, does not exceed any charter, statutory or constitutional limitations thereon. Upon the issuance of the Bonds, the lien of the Prior Bonds on said tax levies shall be defeased and discharged.

For the payment of both principal hereof and interest hereon, the full faith and credit and resources of the School District are hereby irrevocably pledged in the manner prescribed by, and subject to the limitations set forth in, the Constitution of West Virginia.

The Bond is exempt from all taxation by the State of West Virginia or any political subdivision thereof.

[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 as printed on the Bonds or as contained in any notice.]

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia) has caused this Bond to be duly signed by its President and countersigned by its Secretary and has caused its corporate seal to be impressed or imprinted hereon, all as of the Bond Date specified above.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

(SEAL)

(Manual or Facsimile Signature)
President

(Manual or Facsimile Signature)
Secretary

CERTIFICATE OF

AUTHENTICATION AND REGISTRATION

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

Dated: _____.

UNITED BANK, INC.
as Registrar

By: _____
Its Authorized Officer

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.

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE
BOOK-ENTRY ONLY

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

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

$_____*
The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Dated: Date of Delivery

Due: May 1, as shown below

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

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

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

Interest on the Bonds will be payable November 1, 2012 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to optional redemption and mandatory sinking fund redemption as described in the section entitled "**THE BONDS**- Redemption" herein.

The Bonds shall be issued in the principal amounts and have the maturities, interest rates, yields and CUSIP numbers as indicated on the inside cover hereof.

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by _____, Wheeling, West Virginia, Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Steptoe & Johnson PLLC, Charleston, West Virginia, as Counsel to the Underwriter. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about _____, 2012.

Dated: _____, 2012
*Preliminary, subject to change.

PiperJaffray.

SERIES 2012 BONDS

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS**

Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP* Base #:
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2033				

$_____*

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

ELECTED OFFICIALS
Dr. Barbara L. Parsons, President
Mike Kelly
Craig Cerra
Nancy Walker
Dr. Clarence Harvey, Jr.

APPOINTED OFFICIALS
Dr. Frank Devono, Superintendent
Donna Talerico, Assistant Superintendent of Pupil Services
Becky Mattern, Assistant Superintendent for Administration, C&I
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*Preliminary, subject to change.

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

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

You should make your own decision whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure, nor whether it is complete.

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

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Forward-Looking Statements

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

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OFFICIAL STATEMENT
RELATING TO

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

INTRODUCTION

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

The Bonds are being issued to provide funds, along with other funds from accounts established for the Series 2004 Bonds, as hereinafter defined, to provide for the current refunding of the Board's Public School Bonds, Series 2004 issued in the original aggregate principal amount of $50,000,000 ("Series 2004 Bonds") of which $43,905,000 is outstanding. Proceeds of the Bonds will also be used to pay legal, consulting and other professional fees, printing and other issuance costs.

The Series 2004 Bonds were issued to fund a portion of the cost of constructing a new University High School, a new Westwood Elementary School and a new Cass Elementary School, to fund the costs of improvements to Mason Dixon Elementary School, Clay-Battelle Middle/Senior High School, Morgantown High School and renovations to the entrances to the remaining schools in the School District to comply with the Safe Schools Act (the "Projects"), which facilities are all located within Monongalia County and the School District. Proceeds of the Series 2004 Bonds were also used to pay capitalized interest on the Series 2004 Bonds, legal, consulting and other professional fees, printing and other issuance costs.

At a special election held on October 4, 2004, the issuance of bonds in an amount of up to $50,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved by the qualified voters of the School District for the purposes of paying costs of the Projects, paying capitalized interest on the Series 2004 Bonds and paying costs of issuance of the Series 2004 Bonds. The Series 2012 Bonds will refund the Series 2004 Bonds.

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

THE BONDS

General

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

Maturing (May 1)	Principal Amount ($)
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2033	

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

Interest on the Bonds will be payable on November 1, 2012 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at the address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $500,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Authority and Purpose

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Bond Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8 of the Constitution and Sections 20 and 34 of the Bond Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds. Pursuant to the Better Schools amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law. Pursuant to the Bond Act and orders and resolutions duly entered and adopted by the Board, on February 24, 2004 and May 12, 2004, the issuance of bonds in the aggregate principal amount of $50,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved at a special election by 73.22% of the participating voters. Proceeds of the Series 2004 Bonds were applied, together with certain funds received by the Board from the State of West Virginia (the "State") and other sources, to the cost of acquisition and construction of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District. The ballot question limited the term of the bonds to twenty-nine (29) years from

their date and limited the rate of interest on the bonds to a rate not exceeding 6.50% per annum. Pursuant to the Bond Act, the Series 2004 Bonds were issued on May 1, 2004 and designated Public School Bonds, Series 2004.

The Board is issuing the Bonds pursuant to Article 2 of Chapter 13 of the Code of West Virginia, as amended (the "Refunding Act") and a resolution of the Board adopted on _____, 2012 (the "Resolution"). The Board is issuing the Bonds for the purpose of advance refunding the Series 2004 Bonds. In accordance with the provisions of the Refunding Act, debt service on the Bonds will not exceed in each year the amount of taxes expected to be available for payment of such debt service in accordance with the terms approved by the voters. The Series 2004 Bonds will be deemed paid upon the completion of the advance refunding. Certain funds of the Board on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") relating to the Series 2004 Bonds will become surplus funds as a result of the advance refunding and will be available for release to the Board.

Plan of Financing

Proceeds of the Bonds in the amount of $_____ will be combined with the sum of $_____ which will be transferred from accounts of the Board held at the Bond Commission in connection with the Series 2004 Bonds and along with other funds made available to the Board will be applied towards the funding of an escrow to advance refund the Series 2004 Bonds. Such proceeds will be used to pay the redemption price of the Series 2004 Bonds called for redemption, together with the interest that will accrue on the Series 2004 Bonds to the redemption date thereof. The above referenced funds in the total amount of $_____ will be held by the Bond Commission, as Escrow Agent under an Escrow Agreement to be entered into on or about _____, 2012 (the "Escrow Agreement"), by and among the Board and the Bond Commission. The Series 2004 Bonds are expected to be called for redemption on or about March 3, 2014, and the redemption date is expected to be May 1, 2014 (the "Redemption Date"). During the period in which the proceeds of the Bonds and other funds of the Issuer are deposited with the Bond Commission pursuant to the Escrow Agreement (except amounts necessary for costs of issuance), such funds will be invested in United States Treasury Obligations, State and Local Government Series ("SLGS"). The maturing principal of and interest on the SLGS is not pledged to and will not be available to pay the Bonds.

Sources and Uses of Funds

Sources

Proceeds of the Bonds	$_____
Amounts Transferred from Bond Commission (Funds and Accounts for Series 2004 Bonds)	$_____
TOTAL	$----------

Uses

Deposit to Escrow Fund [1]	$_____
Underwriter's Discount	$_____
Costs of Issuance[2]	$_____
TOTAL	$----------

Nature of Obligation, Security and Source of Payments

The Bonds will constitute valid and legally binding general obligations of the Board, and, unless paid from other sources, the principal of and interest on the Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better

[1] The amount set forth in the Escrow Agreement as required, together with the income thereon and funds transferred from accounts established for the Series 2004 Bonds to effect the advance refunding of the Series 2004 Bonds as described herein.
[2] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Printing, Accounts' Verification Report, Registrar and other fees and expenses associated with the issuance of the Bonds.

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

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

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

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 Monongalia. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

MONONGALIA COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members nominated and elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. In 2012, the terms of _____ 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 2011-2012, the Monongalia County school system had a central office professional staff of ____ with the overall responsibility to coordinate and supervise the activities of ____ school administrators, ____ instructional staff (teachers and other professionals), and ____ service personnel. Total Full Time Equivalent positions are _____. The average pupil-teacher ratio for the 2011-2012 school year was ____:1 (combined elementary, middle and secondary schools). **[to be provided by School Board]**

Historical School Enrollment (School Year)

Grades	2007	2008	2009	2010	2011
Pre-K Special Needs					
Pre-K Universal					
K					
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
Total					

[information to complete charts above and below to be provided by School Board]

Rate of Increase (Decrease) in Enrollment	
2007-2011	____%
Annualized	____%

Source: Monongalia County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2012	_____
2013	_____
2014	_____
2015	_____

Source: Monongalia County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Renovation or Addition and Date	
Arnettsville Elementary	K-5	Masonry/Concrete	1954	Addition	1999
Brookhaven Elementary (New)	K-5	Masonry/Concrete	1994		
Brookhaven Elementary (Old)	K-5	Masonry/Concrete	1954 & 1977	Addition	1980
Cass Elementary	___	Masonry/Concrete	20___		
Cheat Lake Elementary	K-4	Concrete	1991		
Daybrook Elementary	K-4	Masonry/Concrete	1976		
Easton Elementary	K-4	Masonry/Concrete	1925 & 1953	Addition	1991
Jakes Run Center	Early Head Start	Masonry/Concrete	1955 & 1968		
Mason-Dixon Elementary	K-6	Masonry/Concrete	1994	Addition Renovations	1985 20___
Mountainview Elementary	K-5	Masonry/Concrete	1991		
North Elementary	K-5	Masonry/Concrete	1979	Addition	1985
Ridgedale Elementary	K-5	Masonry/Concrete	1954, 1983, 1991, 2000		
Riverside Elementary	K-5	Masonry/Concrete	1917 & 1938		
Suncrest Primary	K-3	Masonry/Concrete	1918, 1953, 1956	Addition	1997
Waitman Barbe Elementary	K-5	Masonry/Concrete	1955		
Westover Elementary	K-5	Rubblestone/Concrete	1936	Additions	1972, 1978
Westwood Elementary	___	Masonry/Concrete	20___		
Woodburn Elementary	K-5	Masonry/Concrete	1909 & 1958	Additions	1985, 1997
Cheat Lake Middle	5-8	Masonry/Concrete	1954, 1974, 1991	Additions	1985, 1991, 1997
Clay-Battelle Middle	___	Masonry/Concrete	20___		
South Middle	6-8	Masonry/Concrete	1979	Addition	1998
Suncrest Middle	6-8	Masonry/Concrete	1939, 1953, 1993, 1996	Addition	1985
Westwood Middle	6-8	Masonry/Concrete	1994		
Clay-Battelle High	7-12	Masonry/Concrete	1938, 1950, 1977, 1991	Additions Additions and Renovations	1995 20___
Morgantown High	9-12	Masonry/Concrete	1924, 1926, 1939, 1997	Additions Additions and Renovations	1980, 1998 20___
University High	9-12	Masonry/Concrete	20___		
Technical Education Center	-	Masonry/Concrete	1978, 1987		

Source: Monongalia County Board of Education

[chart to be updated and revised as necessary by School Board]

Tax Collection Procedures

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

Tax Levies and Collections*

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual ($) Collected	Actual (%) Collected
2006-2007				
General Current				
Bond Levy				
Excess Levy				
2007-2008				
General Current				
Bond Levy				
Excess Levy				
2008-2009				
General Current				
Bond Levy				
Excess Levy				
2009-2010				
General Current				
Bond Levy				
Excess Levy				
2010-2011				
General Current				
Bond Levy				
Excess Levy				

[information necessary to complete chart to be provided by School Board]

Assessment Procedure

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

The State Tax Commissioner has the responsibility for preparing tentative valuations of all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the 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 Monongalia County School District includes all of Monongalia County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code requires all assessors to appraise all property at fair market value (except for certain farm property), within three years. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. The legislation limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The legislation specifically provided that assessors should not implement the reappraisal described above. The legislation requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

[underwriter and U/W counsel to insert discussion of county-wide reassessment which is being undertaken in Monongalia County]

Assessed Valuation By Property Class*

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I					
II					
III					
IV					
Total					

Assessed Valuation By Property Category*

Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Real					
Personal					
Public Utility					
Total					

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

$---------- in 2008-2009 $---------- in 2010-2011 $---------- in 2012-2013
$---------- in 2009-2010 $---------- in 2011-2012

[underwriter to provide information for charts above and below]

Largest Assessed Valuations (tax year 2012)

Property Owner	Assessed Valuation ($)

Source: Monongalia County Assessor and West Virginia State Auditor's Office

Tax Rate Comparisons

The following shows Monongalia County property taxes in cents per $100 assessed valuation (this includes all state, county and school rates, in comparison with a few select surrounding counties), for tax year 2012; Fiscal Year 2012 - 2013.

Rates of Levy*

County	Class I	Class II	Class III/IV
MONONGALIA			
Marion			
Preston			

Taylor
Wetzel

*Includes the total levy for State, County and schools in each County.
Source: West Virginia State Auditor

[underwriter to provide information to complete chart above]

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

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

Tax Rates - By Property Class (Cents Per $100)

School Current Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	19.40	19.40	19.40	19.40	_____
II	38.80	38.80	38.80	38.80	_____
III and IV	77.60	77.60	77.60	77.60	_____

School Excess Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I					
II					
III and IV					

School Bonds

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I					
II					
III and IV					

[underwriter to provide information to complete above chart]

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8, Section 6b of the Code of West Virginia of 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

Rates of Levy (Source: West Virginia State Auditor)

The tax rates for citizens of the County, including those imposed by the Monongalia County Board of Education, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2012-2013 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current			
School Current			
School Bonds			
School Excess			

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2012-2013 fiscal year.

Municipality	Class I	Class II	Class IV
Blacksville			
Granville			
Morgantown			
Star City			
Westover			

[underwriter to provide information for above charts]

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)	
Assessed Valuation*	
Debt Limit (5% of Assessed Valuation)	
Outstanding Debt (including the Bonds)	
Debt Contracting Margin	
Per Capita Debt	
Outstanding Debt as percentage of Assessed Valuation	

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

[underwriter to provide information to complete above chart]

Debt Service Requirements

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

Schedule of Bond Indebtedness
Public School Bonds

Year Ending June 30	Series 2012 Principal	Series 2012 Interest	Total
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
TOTAL			

[underwriter to provide information to complete above chart]

Overlapping Debt

There is no overlapping county or city general obligation debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the State Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Review Revenue Fund

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

Investment of Certain Funds

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

Accounting Practices

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

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

Annual Audit

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

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November/December-	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January/February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing. A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual

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

	2011 Budget	2011 Actual*	2012 Budget	2012 Actual*	2013 Budget
Revenues Collected:					
Local Sources:					
Property Taxes					
Other Local Sources					
State Sources					
Other Unrestricted					
Federal Sources					
Total Revenues Collected					
Expenditures Paid:					
Instruction					
Supporting Services:					
Students					
Instructional Staff					
Central Administration					
School Administration					
Business Administration					
Operation & Maintenance of Facilities					
Student Transportation					
Food Services					
Community Services					
Capital Outlay					
Debt Service:					
Principal Retirement					
Interest & Fiscal Charges					
Total Expenditures					
Excess (Deficiency) of Revenues over Expenditures					
Total Other Financing Sources (Uses)					
Net change in Fund Balance					
Fund Balance at July 1,					
Fund Balance at June 30,					

Source: Monongalia County Board of Education

*This includes $---------- Other Post-Employment Benefits Liabilities for Fiscal Year 2011 and $---------- for Fiscal Year 2012. The Actual figures for 2012 are based only on a partial year which commenced on July 1, 2011 and ended on ----------. The partial year Actual results reported above for Fiscal Year 2012 have not been audited.

[information necessary to update this chart is to be provided by the School Board]

Teachers Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2011, there are 35,880 active members and 31,043 retirees. The plan reopened for new members as of July 1, 2005.

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

The most recent actuarial valuation of TRS was performed July 1, 2011 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2011, the unfunded liability of TRS was $4.370483 billion. The funded percentage was 53.7%. The State expects the TRS unfunded accrued liability to be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2011, there were approximately 4,554 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

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

TDC Transfer to TRS

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

*Source: State of West Virginia Consolidated Public Retirement Board

Insurance Coverage (Source: Monongalia County Board of Education)

1. Type		Amount in Force (FY 2012)
Deluxe Commercial Property insurance		$_____ per occurrence
Deductible per occurrence		$_____
Machinery and Equipment insurance		$_____ per occurrence
Deductible per occurrence		$_____
Flood insurance		$_____ per building and $_____ for contents
Deductible per occurrence		$_____, _____ or _____
Public official position bond:	Superintendent	$_____
	Board President	$_____
	Treasurer	$_____
Fidelity Honesty Bond		$_____

Liability Insurance: The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2011 to July 1, 2012. The Board is insured for the following coverages:

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

2. Limits of Liability

EACH OCCURRENCE: $_____ 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 $_____.

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

TAX MATTERS

In the opinion of Bowles Rice McDavid Graff & Love LLP, Bond Counsel, under existing law, the interest on the Series 2012 Bonds is excludable from gross income 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. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that, under existing law, the Series 2012 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2012 Bonds and the interest thereon.

The opinion on federal tax matters with respect to the Series 2012 Bonds is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Board contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2012 Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The Board has covenanted to take the actions required of it for the interest on the Series 2012 Bonds to be and to remain excludable from gross income for federal income tax purposes, and

not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the Board's certifications and representations and the continuing compliance with the Board's covenants. Noncompliance with these covenants by the Board may cause the interest on the Series 2012 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012 Bonds. After the date of issuance of the Series 2012 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2012 Bonds or the market prices of the Series 2012 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Series 2012 Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Series 2012 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2012 Bonds. Bond Counsel will express no opinion regarding any such consequences.

Tax Treatment of Accruals on Original Issue Discount Series 2012 Bonds

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Series 2012 Bond is less than the stated redemption price of such Series 2012 Bonds at maturity, then such Series 2012 Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Series 2012 Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Series 2012 Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Series 2012 Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Series 2012 Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such

amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount

The "market discount rules" of the Code apply to the Series 2012 Bonds. Accordingly, holders acquiring their Series 2012 Bonds subsequent to the initial issuance of the Series 2012 Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Series 2012 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. If an owner purchasing the Series 2012 Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2012 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

West Virginia Tax

In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Possible State and Federal Legislative Changes with Respect to Tax-Exempt Bonds

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of bonds issued to finance educational facilities or to limit the extent of the current tax advantages available for tax exempt bonds or to limit the use of tax-exempt bonds. Any such limitation could reduce the Board's ability to finance future capital needs of the School District. The effect on the Board of proposed laws and regulations and future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2012 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. As one example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. For tax years

beginning on or after January 1, 2013, the American Jobs Act of 2011, if enacted, would limit the exclusion from gross income of interest on obligations like the Series 2012 Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2012 Bonds. Prospective purchasers of the Series 2012 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.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988 89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.

2. The decision of the Honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and

3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.

4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age appropriate, non handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, and expresses the opinion of the Board that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse effect on the financial condition of the Board.

On February 22, 2010, forty-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. The Circuit Court of Kanawha County dismissed the suit on the grounds that it was a political question better answered by the West Virginia Legislature. The county boards of education appealed this decision to the West Virginia Supreme Court. The West Virginia Supreme Court upheld the Circuit Court of Kanawha County's decision to dismiss the suit. The State of West Virginia's OPEB liability and the Board's OPEB liability is subject to additional lawsuits and legislative discussion which may have an effect on the amount of the Board's OPEB liability. No representation

can be made regarding the potential outcome of the lawsuits or the legislative discussions and any effect on the amount of the Board's OPEB liability. 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 Bonds.

[insert discussion of Senate Bill 469 and possible resolution of School Board OPEB litigation in West Virginia]

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX F (the "Continuing Disclosure Agreement"), to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2012, and to provide notice of the occurrence of the enumerated events listed therein, if material (for such enumerated events wherein there is a materiality determination). The Annual Information and each notice of enumerated events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the Board (the "Dissemination Agent"), with the Electronic Municipal Markets Access system maintained by the Municipal Securities Rulemaking Board ("EMMA").

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

The Board issued its Series 2004 Bonds in the amount of $50,000,000 on May 26, 2004. In connection with the issuance of the Series 2004 Bonds the Board entered into a Continuing Disclosure Agreement, dated as of May 26, 2004 (the "2004 Disclosure Agreement"), by and between the Board and United Bank, Inc., as dissemination agent. Pursuant to the 2004 Disclosure Agreement the Board agreed to provide its annual audited financial statements to the Dissemination Agent for filing with each of the approved National Repositories for purposes of the Rule within 300 days following the completion of the Board's June 30 Fiscal Year end. The Board also agreed in the 2004 Disclosure Agreement to provide notice of the enumerated events listed therein, if material, to each of the approved National Repositories for purposes of the Rule and to the Municipal Securities Rulemaking Board.

[underwriter and U/W counsel to discuss continuing disclosure filings with Terry Hawkins and review filings with EMMA for Series 2004 Bonds]

LEGAL MATTERS

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

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of '____' based on the Board's eligibility and participation in the West Virginia Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

VERIFICATION AGENT

_____, _____, has been retained as verification agent for the Bonds (the "Verification Agent"). The Verification Agent shall provide a verification of the sufficiency of the escrow for the repayment of the Series 2004 Bonds on the redemption date thereof.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as Underwriter. The Purchase Contract provides that the Underwriter will purchase all the Bonds if any are purchased, the obligation to make such purchase being subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof. The Underwriter has agreed to purchase the Bonds, subject to certain conditions, for a purchase price of $_____ (par less an Underwriter's discount of $_____ and **[less original issue discount in the amount of $_____]** or **[plus a premium in the amount of $_____]**.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $_____ in aggregate principal amount of The Board of Education of the County of Monongalia Public School Refunding Bonds, Series 2012. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Monongalia.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purposes. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. The distribution of this Official Statement has been approved by the Board. Additional information may be obtained from the undersigned at 13 South High Street, Morgantown, West Virginia, 26501, telephone (304) 291-9210.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: //Dr. Barbara L. Parsons, President

APPENDIX A

Audit Report of Monongalia County Board of Education for the Fiscal Year Ended June 30, 2011

APPENDIX B

ECONOMIC AND DEMOGRAPHIC DATA – COUNTY OF MONONGALIA (WEST VIRGINIA)

[to be provided by underwriter's counsel]

APPENDIX C

PROPOSED FORM OF LEGAL OPINION

_____, 2012

$_____
The Board of Education of
The County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

The Board of Education of the
County of Monongalia
Morgantown, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by The Board of Education of The County of Monongalia (the "Issuer") of its $_____ in aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Bonds") and served as bond counsel to the Issuer in connection with the issuance of such Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Refunding Act") and a Resolution and Order duly adopted by the Issuer on _____, 2012 (the "Resolution") and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds are issued in fully registered form, are dated _____, 2012, upon original issuance, are represented by a single bond for each maturity, numbered R-1 to R-__, inclusive, with interest payable on each May 1 and November 1, commencing November 1, 2012, and principal installments payable each May 1, commencing May 1, 2013, and continuing until the maturity thereof, being May 1, 2033.

The Resolution provides that the issue is for the purposes of providing funds, together with other moneys of the Issuer currently on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission"), to pay costs necessary to advance refund all of the Issuer's Outstanding Public School Bonds, Series 2004, dated May 1, 2004 (the "Prior Bonds"), originally issued in the aggregate principal amount of $50,000,000, of which $_____ is presently outstanding, and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Monongalia County School District (the "District") at an election held in the District on October 4, 2004, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated _____, 2012, by and between the Issuer and the Purchaser (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution, the Bond Purchase Agreement and the Escrow Agreement, dated _____, 2012, by and between the Issuer and the West Virginia Municipal Bond Commission, as escrow agent (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer contained in the Resolution, the Escrow Agreement and the Tax and Non-Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and in certain other certificates delivered in connection herewith and the covenants of the Bond Commission contained in the Escrow Agreement, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Resolution, enter into the Escrow Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Escrow Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution and the Tax Certificate. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 5 below, we express no opinion regarding other tax consequences arising with respect to the Bonds.

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

6. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the liens, pledges, rights or remedies with respect to the Bonds, the Resolution, the Escrow Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

Bowles Rice McDavid Graff & Love LLP

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Re marketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

ELECTED OFFICIALS OF THE BOARD
APPOINTED OFFICIALS OF THE BOARD

Monongalia County Board of Education Members

Dr. Barbara L. Parsons, President

Representing the Monongalia County Schools' Central District, Dr. Barbara Parsons was appointed to the Board in 2000 to fill an unexpired term. She subsequently was elected to a four-year term in 2002 and was re-elected May 2006 and 2010. Her current term of office expires in 2014. Dr. Parsons was named president of the Monongalia County Board of Education July 2010.

A Morgantown area resident for 38 years, Dr. Parsons earned a bachelor's degree in Family Resources, a master's in Industrial and Labor Relations and a doctorate in Education from West Virginia University. She is employed as director of Education Services for Monongalia Health System.

Dr. Parsons previously served on the Morgantown Utility Board, with Monongalia County's Metropolitan Planning Organization and as a facilitator for COMPAC, a community transportation improvement group. A 1992 graduate of Leadership West Virginia, she coordinated Leadership Monongalia, a local leadership development program, for 14 years. She currently serves as chair of the United Way of Monongalia and Preston Counties' board of directors' personnel committee; co-chair of the West Virginia School Board Association's (WVSBA) strategic planning committee; and resource coordinator for the WVSBA's committee for developing standards for high functioning boards. Additionally, she serves on the West Virginia Board of Education's training standards review committee.

Mike Kelly

Mike Kelly, 58, is a Westover resident and president of Dulaney Oil. A University High alumnus, Mr. Kelly and his wife, Marjorie, a Morgantown High graduate, are the parents of three children and the grandparents of three grandchildren, two of which are enrolled in the Monongalia County Schools.

Mr. Kelly is former president of the Westover Rotary. He has worked with the Greater Morgantown Metropolitan Planning Organization (MPO) since its organization in 2003 and is the organization's immediate past president. An avid automobile collector, Mr. Kelly also is an active volunteer with the UHS and Westwood Middle School band programs and is a strong supporter of the arts.

He served on the Board in 2005-06 and 2007-08, completing previous Board members' unexpired terms. He was elected in May 2008 to complete his second appointed term through June 2010. The Board reappointed Kelly to another vacated seat July 2010, a position he held until the Nov. 2, 2010 general election when he was elected to complete that term through 2014.

Craig Cerra

[biography to be provided by School Board]

Nancy Walker

Nancy Walker, a native West Virginian, has lived in Morgantown with her husband Craig since 1974. She has been employed as a registered diagnostic medical and cardiac ultrasonographer for 34 years and currently is employed by the Morgantown Internal Medicine Group.

As the mother of three children, Ms. Walker initially became involved with the Monongalia County Schools as a parent volunteer. Representing the county schools' Eastern District, she has served on the Board for 15 years and held the Board president's position 2002-2010. Her current term of office expires in 2012.

She attends St. Thomas 'a Becket Episcopal Church and serves as the church nursery coordinator. She serves on the executive committee of the United Way of Monongalia and Preston Counties and as vice chair of the WVU Prevention Research Center's Community Partnership board. She also was appointed to serve on the West Virginia Commission for Performance Teaching Standards in 2010.

Dr. Clarence Harvey, Jr.

[biography to be provided by School Board]

Monongalia County Schools Central Office Administrators

Dr. Frank Devono, Superintendent

[biography to be provided by School Board]

Donna Talerico, Assistant Superintendent of Pupil Services

[biography to be provided by School Board]

Becky Mattern
Assistant Superintendent for Administration, C&I

[biography to be provided by School Board]

Terry Hawkins
Chief School Business Official and Treasurer

[biography to be provided by School Board]

CONTINUING DISCLOSURE AGREEMENT

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

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Series 2012 Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Series 2012 Bonds in Appendix A entitled "Audit Report of Monongalia County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

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

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2012 Bonds (including persons holding Series 2012 Bonds through nominees, depositories or other intermediaries).

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

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

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

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

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

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

"Participating Underwriter" shall mean the original underwriter of the Series 2012 Bonds which is required to comply with the Rule in connection with the offering of the Series 2012 Bonds.

"Repository" shall mean each National Repository.

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

"Series 2012 Bonds" shall mean the $_____ The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

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

(b) Not later than fifteen (15) Business Days prior to said date, the Board shall provide the Annual Financial Information and Audited Financial Statements to the Disclosure Agent. If the Board is unable to provide to the Repositories the Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Board shall, or shall cause the Disclosure Agent to, send a notice to the Repositories, in substantially the form attached as Exhibit A.

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

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

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

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2012 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

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

4. unscheduled draws on credit enhancements reflecting financial difficulties;

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

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012 Bonds, or other events affecting the tax status of the Series 2012 Bonds;

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

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

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Series 2012 Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the Board[3];

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

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

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event,

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

and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

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

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

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

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

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2012 Bonds. If such termination occurs prior to the final maturity of the Series 2012 Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Series 2012 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2012 Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2012 Bonds.

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

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

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Series 2012 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Series 2012 Bonds or pursuant to the Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

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

To the Board:
The Board of Education of the County of Monongalia
13 South High Street
Morgantown, West Virginia 26501

To the Disclosure Agent:
United Bank, Inc.
ATTN: Corporate Trust
500 Virginia Street, East
Charleston, WV 25392

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

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

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

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

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

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

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action. The Board will, for the benefit of the Disclosure Agent and Disclosure Agent's employees, directors, agents, subsidiaries, affiliates, successors and assigns, assume all liability and/or be responsible to pay for any and all claims, demands, causes of action, losses, damages, liabilities, penalties, costs and expenses (including reasonable attorney's fees) relating to this Agreement, to the extent assessed by a court of competent jurisdiction.

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: _____
Its: Board President

UNITED BANK, INC., as Disclosure Agent

By: _____

Its: _____

Date: _____, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Monongalia (the "Board")

Name of Bond Issue: $_____ The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Date of Bond Issue: _____, 2012

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

Dated: _____, 20___.

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

cc: Board

$42,615,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned MARIE L. PREZIOSO, of PIPER JAFFRAY & CO. (the "Purchaser"), for and on behalf of the Purchaser, and BARBARA L. PARSONS, President of THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (the "Issuer"), hereby certify as follows:

1. On July 10, 2012, through DTC in New York, New York, the Purchaser received the entire original issue of $42,615,000 in aggregate principal amount of the Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). The Bonds, as so received on original issuance, are dated July 10, 2012, are numbered, mature on May 1 of the years, bear interest at the rates and are in the respective denominations set forth in **Exhibit A** attached hereto and incorporated herein by reference, and are all fully registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds upon original issuance, they had been signed by Barbara L. Parsons, as President of the Issuer, by her manual signature, and countersigned by Dr. Frank Devono, as Superintendent and Secretary of the Issuer, by his manual signature, and the seal of the Issuer had been affixed upon such Bonds and 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:

Par Amount	$42,615,000.00
Net Original Issue Premium	4,806,597.10
Less: Underwriter's Discount	(226,767.50)
TOTAL	$47,194,829.60

Payment for the Bonds was made in Federal Funds in the amount of $47,194,829.60 on the date hereof.

4. This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, MARIE L. PREZIOSO, duly signed and delivered this receipt on behalf of the Purchaser and Barbara L. Parsons for the Issuer duly signed and delivered this receipt on behalf of the Issuer has caused this receipt to be duly signed and delivered by its President as of this 10th day of July 2012.

PIPER JAFFRAY & CO.

By: _____
Its: Senior Vice President

THE BOARD OF EDUCATION OF THE
COUNTY OF MONONGALIA

By: _____
Its: President

EXHIBIT A

Series 2012 Bonds

Maturity (May 1)	Amount	Coupon	Price	Yield	CUSIP
2013	1,695,000	4.00%	102.877	0.430%	610219CM7
2014	1,400,000	4.00%	106.086	0.610%	610219CN5
2015	1,455,000	4.00%	108.809	0.820%	610219CP0
2016	1,510,000	4.00%	111.181	1.000%	610219CQ8
2017	1,565,000	4.00%	112.743	1.260%	610219CR6
2018	1,620,000	5.00%	118.967	1.570%	610219CS4
2019	695,000	1.75%	99.489	1.830%	610219CT2
2019	1,000,000	4.00%	113.829	1.830%	610219DH7
2020	1,745,000	5.00%	121.022	2.070%	610219CU9
2021	1,825,000	3.00%	105.796	2.270%	610219CV7
2022	1,870,000	3.00%	105.124	2.410%	610219CW5
2023	1,925,000	5.00%	120.368	2.630%*	610219CX3
2024	2,010,000	5.00%	118.562	2.820%*	610219CY1
2025	2,105,000	4.00%	107.120	3.150%*	610219CZ8
2026	2,180,000	4.00%	105.821	3.300%*	610219DA2
2027	2,260,000	4.25%	107.380	3.360%*	610219DB0
2028	2,350,000	4.375%	107.810	3.430%*	610219DC8
2029	2,445,000	5.00%	114.502	3.260%*	610219DD6
2030	2,555,000	5.00%	113.871	3.330%*	610219DE4
2031	2,675,000	5.00%	113.245	3.400%*	610219DF1
2032	2,800,000	5.00%	112.711	3.460%*	610219DJ3
2033	2,930,000	5.00%	112.092	3.530%*	610219DG9

*Priced to the first optional redemption date of May 1, 2022.

STANDARD
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Global Credit Portal®
RatingsDirect®

June 7, 2012

Summary:

Monongalia County Board of Education, West Virginia; School State Program

Primary Credit Analyst:
Hilary A Sutton, New York (1) 212-438-7093; hilary_sutton@standardandpoors.com

Secondary Contact:
Richard J Marino, New York (1) 212-438-2058; richard_marino@standardandpoors.com

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Rationale

Outlook

Related Criteria And Research

Summary:

Monongalia County Board of Education, West Virginia; School State Program

Credit Profile		
US$43.57 mil pub sch rfdg bnds ser 2012 due 05/01/2013-2033		
Long Term Rating	AA/Stable	New
Monongalia Cnty Brd of Ed GO State Credit Enhancement		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services has assigned its 'AA' long-term rating to Monongalia County Board of Education, W.Va.'s series 2012 publics school refunding bonds. At the same time, Standard & Poor's affirmed its 'AA' rating on debt previously issued for the board of education.

The rating reflects our view of the board's eligibility and participation in West Virginia's Municipal Bond Program. The rating also reflects our assessment of the state's strong debt service oversight and the legislature's replenishment provision for the bond commission's sinking fund. Under the program, West Virginia annually appropriates sufficient funds to meet any shortfall in an issuer's debt service payment to bondholders.

Standing appropriation programs

Standard & Poor's rates four different types of state programs, in more than 20 states, that provide enhancement for school bond issues. These program types include state guarantee, permanent fund, standing or annual appropriation, and state intercept or withholding programs. We analyze each state program according to the program type and we base the rating on the characteristics of the particular program and funding mechanisms. West Virginia is one of five states with Standard & Poor's-rated standing appropriation programs, along with California, Minnesota, New Jersey, and Texas. Because appropriation programs are dependent on the ability of a state to use its cash reserves to make up any debt service deficiencies, a program rating is directly linked to the state's own credit quality. Therefore, the program rating will move in tandem with its related state rating, keeping the relative rating differential between the program rating and the state rating constant. The outlook on the program will always reflect our outlook on the state.

West Virginia's municipal bond program

As authorized by Chapter 13, Article 3, of the West Virginia Code, the state's bond commission serves as the bond trust agent, administering the general obligation (GO) debt sinking funds for the state's school districts and municipalities. Also, the commission has debt service levy oversight. All funds collected to meet debt service on a municipality's GO bonds are turned over to the commission for payment of debt service.

In addition to this statutory provision, the commission's administrative guidelines include notifying the local government unit 35 days before a debt service payment, if available funds are insufficient for debt service. If

sufficient funds are not on hand 15 days before the debt service payment, the entity is contacted again. Whenever the amount deposited for any issuer is not sufficient to meet the interest or principal due, it shall be the duty of the school district's treasurer, upon being notified of that fact by the commission, to immediately remit all funds in his possession that have been earmarked by the issuer for the purpose of amortizing bonded indebtedness plus such additional funds as are necessary to meet the interest or principal due. Since 1921, the state legislature has made an annual blanket appropriation in the budget authorizing the governor to meet any deficiency in the state sinking fund because of a school district or governmental unit's failure to meet its debt service obligations.

Monongalia County Board of Education

Monongalia County Board of Education is coterminous with Monongalia County, located in the north central part of West Virginia. Morgantown is the county seat and is approximately 75 miles south of Pittsburgh, Pa. Monongalia County's population, according to the 2010 U.S. Census Bureau is 96,189. This reflects a 17% increase from the 2000 census. The district's enrollment totaled 10,884 in 2011, having increased at an average annualized pace of 1.5% from 2007 to 2011. Bond proceeds will advance refund the board's series 2004 public school bonds.

Outlook

The outlook reflects our 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.

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RATINGS SERVICES

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2066
reference no.: 1218667

June 6, 2012

The Board of Education of Monongalia County
13 South High Street
Morgantown, WV 26501
Attention: Mr. Terry Hawkins, Chief School Business Official

Re: ***US$43,570,000 The Board of Education of the County of Monongalia (West Virginia), Public School Refunding Bonds, Series 2012***

Dear Mr. Hawkins:

Pursuant to your request for a Standard & Poor's rating on the above-referenced issuer, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions,* have assigned a rating of "AA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would

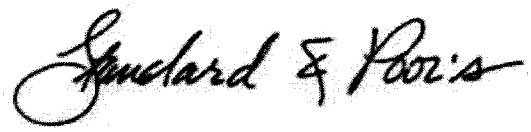
facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com.Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,



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al
enclosures
cc: Edd McDevitt, Esq.
Ms. Marie Prezioso

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RATINGS SERVICES

Standard & Poor's Ratings Services
Terms and Conditions Applicable To Public Finance Ratings

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Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors

to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services

may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third–Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

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

No. R-1 $1,695,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2013	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219CM7

PRINCIPAL AMOUNT: ONE MILLION SIX HUNDRED NINETY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-2 $1,400,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2014	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219CN5

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-3 $1,455,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2015	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219CPO

SPECIMEN

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-4 $1,510,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2016	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219CQ8

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-5 $1,565,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2017	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219CR6

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-6 $1,620,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2018	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219CS4

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-7 $695,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
1.75%	May 1, 2019	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219CT2

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-8 $1,000,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2019	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219DH7

PRINCIPAL AMOUNT: ONE MILLION AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-9 $1,745,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2020	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219CU9

PRINCIPAL AMOUNT: ONE MILLION SEVEN HUNDRED FORTY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-10 $1,825,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
3.00%	May 1, 2021	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219CV7

PRINCIPAL AMOUNT: ONE MILLION EIGHT HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.

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

No. R-11 $1,870,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
3.00%	May 1, 2022	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219CW5

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-12 $1,925,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2023	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219CX3

SPECIMEN

PRINCIPAL AMOUNT: ONE MILLION NINE HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-13 $2,010,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2024	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219CY1

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-14 $2,105,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2025	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219CZ8

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-15 $2,180,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.00%	May 1, 2026	July 10, 2012

REGISTERED OWNER: CEDE & CO. SPECIMEN CUSIP 610219DA2

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-16 $2,260,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.25%	May 1, 2027	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219DB0

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-17 $2,350,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
4.375%	May 1, 2028	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219DC8

SPECIMEN

PRINCIPAL AMOUNT: TWO MILLION THREE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-18 $2,445,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2029	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219DD6

SPECIMEN

PRINCIPAL AMOUNT: TWO MILLION FOUR HUNDRED FORTY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

Litho in U.S.A.
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No. R-19 $2,555,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2030	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219DE4

SPECIMEN

PRINCIPAL AMOUNT: TWO MILLION FIVE HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-20 $2,675,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2031	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219DF1

SPECIMEN

PRINCIPAL AMOUNT: TWO MILLION SIX HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-21 $2,800,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2032	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219DJ3

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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No. R-22 $2,930,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
[WEST VIRGINIA]
PUBLIC SCHOOL REFUNDING BOND,
SERIES 2012

INTEREST RATE	MATURITY DATE	BOND DATE
5.00%	May 1, 2033	July 10, 2012

REGISTERED OWNER: CEDE & CO. CUSIP 610219DG9

SPECIMEN

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. The Issuer has designated United Bank, Inc., Charleston, West Virginia, to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, to act in the capacity of paying agent for the Bonds (the "Paying Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution and Order.

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The principal amount of this Bond shall be payable to the Registered Owner at the principal office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. Interest on this Bond is payable by check, or draft, mailed or by wire transfer by the Paying Agent to the Registered Owner hereof at its address as it appears on the books kept for that purpose by the Registrar at the close of Business on the 15th day of the month (regardless of whether such 15th day is a Saturday, Sunday or legal holiday) preceding such Interest Payment Date or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Registrar.

This Bond is transferable only upon the Bond Register maintained by the Registrar by an authorized representative of the Registered Owner in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or his duly authorized representative, and upon such other terms and payment of such costs as are provided in the Resolution and Order, as hereinafter defined.

This Bond is one of the bonds of the authorized issue designated as the Issuer's Public School Refunding Bonds, Series 2012, dated July 10, 2012 and is authorized to be issued in the aggregate principal amount of $42,615,000 (the "Bonds"), pursuant to Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and other laws of the State, and by a Resolution and Order adopted by the Board on April 24, 2012 (the "Order"). The Bonds are issued for the purpose of advance refunding all of The Board of Education of the County of Monongalia Public School Refunding Bonds, Series 2004 currently outstanding in the aggregate principal amount of $42,715,000 (the "Prior Bonds").

SPECIMEN

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, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended. It is hereby further certified that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to pay the principal hereof and the interest hereon, as and when payable, which tax shall have precedence over all other taxes levied for any purpose of the Issuer except the payment of interest and sinking fund requirements on bonds heretofore issued, or which may be hereafter authorized and issued, there being no outstanding indebtedness of the Board created prior to October 1, 1938; that said tax is levied within the limits fixed by Section 1, Article X of the Constitution of West Virginia; that said levies do not exceed any constitutional or statutory limitations; and that the amount of the Bonds, together with all other bonded indebtedness of the Issuer, does not exceed any charter, statutory or constitutional limitations thereon. Upon the issuance of the Bonds, the lien of the Prior Bonds on said tax levies shall be defeased and discharged.

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The Bonds maturing on or after May 1, 2023, are subject to redemption on or after May 1, 2022, 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 Issuer may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

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

SPECIMEN

For the payment of both principal hereof and interest hereon, the full faith and credit and resources of the Monongalia County School District are hereby irrevocably pledged in the manner prescribed by, and subject to the limitations set forth in, the Constitution of West Virginia.

The Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

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

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

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

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IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia) has caused this Bond to be duly signed by its President and countersigned by its Secretary and has caused its corporate seal to be impressed or imprinted hereon, all as of the Bond Date specified above.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

(SEAL)

Barbara L. Parsons
President

Frank D. Devono
Secretary

SPECIMEN

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CERTIFICATE OF
AUTHENTICATION AND REGISTRATION

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

Dated: July 10, 2012.

UNITED BANK, INC.,
as Registrar

By: _____
Its: Authorized Officer

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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)

SPECIMEN

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.

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$42,615,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

GENERAL CERTIFICATE OF THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA:

1. TERMS
2. NO LITIGATION
3. SALE OF BONDS; SIGNATURES
4. DELIVERY AND PAYMENT
5. AUTHORIZATION, EXECUTION AND DELIVERY OF BOND DOCUMENTS
6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
7. MEETINGS, INC.
8. INCUMBENCY AND OFFICIAL NAME
9. SIGNATURES
10. DESIGNATION OF REGISTRAR AND PAYING AGENT
11. PURCHASE AGREEMENT
12. OTHER DOCUMENTS
13. DISCLOSURES
14. SPECIMEN BOND

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

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as in the Resolution and Order Providing for and Authorizing the Advanced Refunding of the Issuer's Series 2004 Bonds adopted April 24, 2012 (the "Resolution").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance or the sale

of the Bonds or the collection of the ad valorem tax levies or the pledge thereof to the payment of the principal of an interest on 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, nor in any manner affecting the validity or enforceability of the Bonds, the Resolution, the Escrow Agreement, the Bond Purchase Agreement, or the Continuing Disclosure Agreement or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the President, Secretary and the members of the Board and other officials of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the Bonds or the refunding of the Prior Bonds.

3. SALE OF BONDS; SIGNATURES: The Bonds were sold to Piper Jaffray & Co., Charleston, West Virginia, upon a negotiated basis at the price of $47,194,829.60 ($42,615,000 principal amount of the Bonds, plus a Net Original Issue Premium of $4,806,597.10 less Underwriter's Discount of $226,767.50) and without accrued interest. As of the date hereof, the Bonds were duly signed by the manual signature of the President and countersigned by the manual signature of the Secretary, and the official seal of the Issuer, which seal is impressed upon this Certificate, was affixed hereto.

4. DELIVERY AND PAYMENT: The undersigned President did, on the date hereof, deliver to the Purchaser, through DTC, in New York, New York, the entire issue of the Bonds, in denominations equal to the principal amounts maturing on May 1 in each of the years 2013 to 2033, inclusive and numbered R-1 to R-22, inclusive.

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

Issue Price	$42,615,000.00
Net Original Issue Premium	4,806,597.10
Less: Underwriter's Discount	(226,767.50)
Total Received	$47,194,829.60

5. AUTHORIZATION, EXECUTION AND DELIVERY OF BOND DOCUMENTS: The following documents (the "Bond Documents") conform with the forms prescribed in the Resolution, the execution and delivery thereof (where applicable) having been duly authorized, and each such document requiring execution by the Issuer has been properly executed by the President, by his manual signature, in multiple counterparts thereof and the Bond Documents have not been amended, altered, supplemented, repealed, canceled, superseded or modified since the authorization thereof and have been delivered to the Registrar and others:

Resolution and Order Directing Issuance of Bonds

Minutes (or excerpt) of Board Meeting of April 24, 2012

Preliminary Official Statement

Bond Purchase Agreement

Official Statement

Escrow Agreement

Registrar Agreement

Accountants' Verification Report

Tax and Arbitrage Certificate

Certificate of Chairman of Bond Commission

Continuing Disclosure Agreement

Specimen Bond

S&P Rating

The execution, delivery, receipt and due performance of the covenants in these documents and the Issuer's compliance with the provisions contained in these documents will not conflict with or constitute on the Issuer's part a breach of or a default under any existing law, court or

administrative regulation, decree or order of any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or may be bound.

6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since June 30, 2011, except as may be set forth in the Official Statement. Other than the Issuer's Series 2004 Bonds, issued in the original amount of $50,000,000 and currently outstanding in the amount of $42,715,000, there is not any indebtedness or obligation of the Issuer outstanding and unpaid or for which full and irrevocable provision for payment has not been made which has priority over or ranks on a parity with the Bonds as to the sources of and security for payment.

7. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds or the design, 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, 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 such meetings.

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

Name and Office	Date of Commencement of Office	Date of Termination of Office
Barbara L. Parsons – President	2010	2014
Mike Kelly - Member	2010	2014
Craig Cerra - Member	2012	2012
Nancy Walker - Member	2010	2012
Dr. Clarence Harvey, Jr.-Member	2010	2014

The duly appointed and acting officials of the Issuer are as follows:

Dr. Frank Devono	-	Superintendent of Schools
Terry Hawkins	-	Treasurer

The duly appointed and acting Special Counsel for the Issuer is Bowles Rice McDavid Graff & Love LLP, Morgantown, West Virginia.

9. SIGNATURES: Set forth below are our true and genuine signatures.

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

11. PURCHASE AGREEMENT: The Issuer has duly performed all obligations under the Bond Purchase Agreement to be performed at or prior to the Closing and each of the representations and warranties contained in the Bond Purchase Agreement is true as of Closing.

12. OTHER DOCUMENTS: The Bond Documents and all other agreements, instruments, certificates and documents required to be executed or approved by the Issuer and delivered in order to carry out, give effect to and consummate the transactions contemplated by the Bond Documents have been duly authorized and executed or approved by the Issuer and delivered, and as of the date hereof each is in full force and effect.

13. DISCLOSURES: The information relating to the Issuer contained in the Official Statement is true and correct in all material respects, and nothing has come to the attention of the undersigned that would lead the undersigned to believe that the Official Statement contains any untrue and misleading statement of a material fact or omits to state any material fact relating to the Issuer necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

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

WITNESS our signatures and the official corporate seal of THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA on this 10th day of July, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

[SEAL]

By: _____
Its: President

By: _____
Its: Secretary

Closing Item No. B-2

TAX REGULATORY AGREEMENT AND NON ARBITRAGE CERTIFICATE.

THIS TAX REGULATORY AGREEMENT AND NON-ARBITRAGE CERTIFICATE (the "Tax Regulatory Agreement") is made and dated as of 10th day of July, 2012, between THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA, WEST VIRGINIA (hereinafter referred to as the "Issuer"), and the WEST VIRGINIA MUNICIPAL BOND COMMISSION (hereinafter referred to as the "Commission" or the "Escrow Trustee").

W I T N E S S E T H :

WHEREAS, the Issuer is issuing its Public School Refunding Bonds, Series 2012 (the "Bonds") to advance refund its Public School Refunding Bonds, Series 2004:

WHEREAS, this Tax Regulatory Agreement is being executed by the parties hereto to ensure compliance by the Issuer with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder; and

WHEREAS, compliance with the representations, certifications, covenants and agreements set forth in this Agreement is necessary to ensure that interest on the Bonds will be and remain excludable from gross income under the Code;

NOW, THEREFORE, the parties agree as follows:

ARTICLE I
DEFINITIONS, INTERPRETATION AND RELIANCE

Section 1.1 Definitions. All capitalized words and phrases used in this Agreement shall have the meanings ascribed thereto herein. In the event that any capitalized word or phrase used in this Tax Regulatory Agreement is not defined in this Agreement, such word or phrase shall have the meaning ascribed thereto in the resolution and order adopted by the Issuer on April 24, 2012, (the "Resolution"). For purposes of this Agreement, the following words and phrases shall have the meanings set forth below:

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

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

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

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

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

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

"Bond Counsel" means the law firm or firms with expertise in public finance delivering their approving opinions with respect to the issuance of or the exclusion from federal income taxation of interest on the Bonds.

"Bonds" means the Issuer's Public School Refunding Bonds, Series 2012 in the aggregate principal amount of $42,615,000.

"Bond Year" means the one-year periods during the term of the Bonds beginning on the first day of July of any calendar year and ending on the last day of June of any calendar year. The first Bond Year begins on the Date of Issue of the Bonds and ends on June 30, 2013.

"Bond Yield" or "Yield on the Bonds" means yield on the bonds as an annual percentage determined in accordance with section 1.148-4 of the Regulations based on semiannual compounding intervals.

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

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

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

(a) underwriters spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which a substantial number of Bonds are sold to the public);

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

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

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

(e) accountant fees related to issuance of the Bonds;

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

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

"Date of Issue" means July 10, 2012.

"Debt Service Account" means the fund that is described in Section 3.2 hereof.

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

"Escrow Agreement" means the Escrow Deposit Agreement among the Issuer and the Escrow Agent dated as of July 10, 2012.

"Escrow Fund" means The Board of Education of the County of Monongalia, Series 2012 Fund Escrow Deposit held by the Escrow Agent under the Escrow Agreement.

"Fair Market Value" of an Investment means as follows:

(a) In General. Except as specifically otherwise provided below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm's length transaction. The Fair Market Value of an Investment that is purchased directly from the United States Treasury is its purchase price.

(b) Investment Contract. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if:

(i) The Issuer makes a bona fide solicitation for a specified guaranteed investment contract and receives at least three (3) bona fide bids from providers that have no material financial interest in the issue (e.g. as underwriters or brokers);

(ii) The Issuer purchases the highest yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to persons from a source of funds other than gross proceeds of tax exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected draw down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) The obligor on the governmental investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

(c) Certificates of Deposit. The Fair Market Value of a certificate of deposit is its purchase price if it has a fixed rate of interest, a fixed payment schedule, and a substantial penalty for early withdrawal and the yield on the certificate of deposit is not less than (1) the yield on comparable direct obligations of the United States, and (2) the highest yield published or posted by the provider to be currently available on reasonably comparable certificates of deposit.

"Final Computation Date" means the day on which the last of the Bonds is discharged.

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

$$FV = PV" (l+i)$$

where "i" equals the Yield on an issue of obligations divided by the number of compounding periods in a Bond Year and "n" equals the sum of (1) the number of whole compounding intervals for the period ending on the date as of which Future Value is being determined and (2) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

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

"Installment Computation Date" means the last day of the fourth Bond Year.

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

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

"IRS" means the Internal Revenue Service.

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

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

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

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

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

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

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

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

"Prior Bonds" means the Issuer's Public School Refunding Bonds, Series 2004, in the original principal amount of $50,000,000, issued on May 1, 2004.

"Proceeds" means Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received with respect to an investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under section 1.148-2(d) of the Regulations or section 148(g) of the Code or to qualified administrative cost recoverable under section 1.1485(e).

"Rebate Account" means the account created by that name by the Issuer.

"Rebate Amount" means, in respect of the Bonds, the amount determined pursuant to the Code and Regulations in accordance with section 3.4 hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"Rebate Analyst" means the entity or person chosen by the Issuer in accordance with Section 3.7 hereof to determine the Rebate Amounts.

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

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

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

"Replacement Proceeds" means amounts that are treated as replacement proceeds of an issue of bonds under section 1.148-l(c) of the Regulations. Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. The governmental purpose of a bond issue includes the expected use of amounts for the payment of debt service on a particular date. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue, the issuer, or any related party to the issuer, including:

(A) A debt service fund, redemption fund, reserve fund, replacement fund, or any similar fund, to the extent reasonably expected to be used directly or indirectly to pay principal or interest on the issue;

(B) Any amount that is directly or indirectly pledged to pay principal or interest on the issue. A pledge can take any form if the substance of the arrangement is that there is a reasonable assurance that the amount will be available to pay principal or interest on the Bonds, even if the Issuer encounters financial difficulties. A pledge to a guarantor is, for this purpose, an indirect pledge to secure payment of principal and interest on the Bonds;

(C) Any amount held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the bondholder or a guarantor of the Bonds; except if the Issuer or a related person retains the ability to grant rights in the amount that are superior to the rights of a bondholder or the guarantor or the amount does not exceed reasonable needs for which it is maintained, the required level is tested no more frequently than every six (6) months and the amount may be spent without any substantial restriction other than a requirement to replenish the amount by the next testing date;

(D) Other amounts which arise to the extent the issuer reasonably expects as of the issue date that the term of the Bonds will be longer than reasonably necessary for the governmental purpose of the issue, and there will be available amounts during the period that the issue remains outstanding longer than necessary; and

(E) Amounts equal to funds deposited to a working capital reserve to the extent such reserve is financed, directly or indirectly, with the proceeds of the issue, unless all of the proceeds of the Bonds are spent no later than six (6) months after the date of issue.

"Resolution" means the Resolution and Order authorizing the issuance of the Bonds, adopted by the Issuer on April 24, 2012.

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

"State" means the State of West Virginia.

"Surplus Account" means the account held by the Commission and funded with tax receipts not currently required for debt service on the Bonds.

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

"Tax Regulatory Agreement" means this Tax Regulatory Agreement and Non-Arbitrage Certificate dated as of July 10, 2012, between the Issuer and the Commission.

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

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

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

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

(E) Amounts equal to funds deposited to a working capital reserve to the extent such reserve is financed, directly or indirectly, with the proceeds of the issue, unless all of the proceeds of the Bonds are spent no later than six (6) months after the date of issue.

"Resolution" means the Resolution and Order authorizing the issuance of the Bonds, adopted by the Issuer on April 24, 2012.

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

"State" means the State of West Virginia.

"Surplus Account" means the account held by the Commission and funded with tax receipts not currently required for debt service on the Bonds.

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

"Tax Regulatory Agreement" means this Tax Regulatory Agreement and Non-Arbitrage Certificate dated as of July 10, 2012, between the Issuer and the Commission.

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

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

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

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

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

(a) In the case of a plain par bond (within the meaning of section 1.148-l(b) of the Regulations), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and

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

"Value of an Investment" means the value of an investment determined under section 1.148.5(d) of the Regulations Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of section 1.148-l(b) of the Regulations) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of section 1.148-l(b) of the Regulations), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

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

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

Section 1.2 Interpretation. In this Tax Regulatory Agreement:

(a) The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Tax Regulatory Agreement, refer to this Tax Regulatory Agreement, the term "hereafter" means after the date of this Tax Regulatory Agreement, and the term "heretofore" means before the date of this Tax Regulatory Agreement.

(b) Unless the context requires otherwise, words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Tax Regulatory Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Tax Regulatory Agreement, nor shall they affect its meaning, construction or effect.

(e) All certifications, documents and instructions required to be given or made by any person or party hereunder shall be made in writing.

(f) This Tax Regulatory Agreement shall be governed by and construed in accordance with the applicable laws of the State.

(g) If any provision of this Tax Regulatory Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions hereof.

Section 1.3 Reliance on Information Provided by the Issuer. Bond Counsel and the Commission shall be permitted to rely, after due inquiry, upon the contents of any certification, document or instructions provided by the Issuer pursuant to this Tax Regulatory Agreement and shall not be responsible or liable in any way for the accuracy of their contents or the failure of the Issuer to deliver any required information.

ARTICLE II
SOURCE AND USE OF PROCEEDS AND CERTAIN REPRESENTATIONS

Section 2.1 Purpose of Issue and Use of Proceeds. The Issuer represents that the Bonds are being issued to advance refund the Prior Bonds and that the Proceeds of the Bonds will be used to make payments of principal and interest on the Prior Bonds. The Issuer represents that the Prior Bonds were issued and used for the purpose of acquiring, constructing, erecting, enlarging, extending, reconstructing and improving certain educational facilities in the Monongalia County School District, and the Proceeds of the Prior Bonds were applied for such purposes.

The Issuer further represents that none of the proceeds of the Prior Bonds, nor any other funds of the Issuer, have been or will be used in a manner which would result in the Prior Bonds being treated as "private activity bonds" within the meaning of the Code.

Section 2.2 Source and Use of Bond Proceeds and Other Funds. (a) Sale Proceeds. The Sale Proceeds of the Bonds are $47,194,829.60 (face amount of $42,615,000, plus a Net Original Issue Premium of $4,806,597.10 minus Underwriter's Discount of $226,767.50) The Sale Proceeds of the Bonds will be deposited into certain Funds and Accounts established and maintained pursuant to the Resolution and Escrow Agreement and will be used as follows:

(i) To the Escrow Fund $47,107,495.10. The Escrow Fund is being used to purchase government securities to defease the Prior Bonds and amounts on deposit in the Escrow Fund will be used to make interest payment on the Prior Bonds on November 1, 2012 and November 1, 2013 and principal and interest payments on the Prior Bonds on May 1, 2013 and May 1, 2014; and

(ii) To the Interest Account of the Debt Service Fund $0

(iii) To the COI Account $87,334.50

(b) Other Funds. The sum of $-0- representing funds held in the General Obligations Account Surplus Collection Account for the Prior Bonds shall be deposited into the Escrow Fund contemporaneously with the deposit of Sale Proceeds of the Bonds into such Fund, as setout above.

See Exhibit A hereto for a complete Source and Use of Funds Statement.

Section 2.3 Representations as to Redemption of Prior Bonds. The Issuer represents that the Prior Bonds will be redeemed on May 1, 2014.

Section 2.4 Federal Guarantee. The issuer represents that the Bonds are not and shall not become directly or indirectly "federally guaranteed" within the meaning of section 149(b) of the Code. Unless otherwise provided by the Code, the Bonds will be considered "federally guaranteed" if (i) the payment of principal and interest with respect to the Bonds is guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), (ii) 5% or more of the proceeds of the Bonds is (A) to be used in making loans, the payment of principal or interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency instrumentality thereof) or (B) to be invested (directly or indirectly) in federally insured deposits or accounts, or (iii) the payment of principal or interest on the Bonds is otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). For purposes of determining whether the Bonds are federally guaranteed, a guarantee by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Insurance Company, the Government National Mortgage Association or the Resolution Funding Corporation shall not be considered a "federal guarantee".

Section 2.5 Representations by the Issuer for Purposes of Form 8038-G. Section 149(e) of the Code requires as a condition to qualification for exclusion of interest on the Bonds for federal income tax purposes that the Issuer provide to the Secretary of the Treasury certain information with respect to the Bonds and the application of the proceeds derived therefrom. Accordingly, the Issuer hereby agrees to file, in a timely fashion, Internal Revenue Service Form 8038-G with the Internal Revenue Service Center, Ogden, Utah 84201, containing the required information, which the Issuer hereby represents will be accurate and complete and will reflect the information set forth on Exhibit B hereto.

Section 2.6 Hedge Bonds. The Issuer represents and certifies:

(a) 85% of the "spendable proceeds" of the Prior Bonds were used to carry out the governmental purposes of the Prior Bonds within three (3) years of the time the Prior Bonds were issued; and

(b) Not more than 50% of the proceeds of the Prior Bonds were invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) having a substantially guaranteed Yield for four (4) years or more.

Section 2.7 Bonds Registered. The Issuer represents that the Bonds are registered within the meaning of Section 149(a) of the Code.

Section 2.8 Released Funds. As a result of the refunding affected by the Bonds, certain funds on deposit in the surplus collections accounts for the Prior Bonds will be released to the Issuer. The Issuer intends to use such funds for the completion of Projects approved by the voters pursuant to the 2004 Bond Election.

ARTICLE III
ARBITRAGE

Section 3.1 Arbitrage Compliance. (a) The Issuer acknowledges that the continued exclusion of interest on the Bonds from gross income of the recipients thereof for purposes of federal income taxation depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code, including the rebate requirement described in Section 3.3 below.

(b) The Issuer hereby authorizes the Commission to take all actions necessary to comply with the rebate requirements. The Issuer further covenants that it shall not permit at any time or times any of the Gross Proceeds of the Bonds or other funds of the Issuer to be used directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code; and further agrees herein that it shall do and perform all acts and things necessary in order to assure that the arbitrage and rebate requirements of Section 148 of the Code are met.

Section 3.2 Certain Yield Restrictions. The Resolution requires that taxes be levied in an amount sufficient to pay principal and interest on the Bonds as they come due. The tax levies are collected by the Sheriff, transferred to the Issuer, and remitted to and held by the Commission in a fund or account established for such purpose (the "Debt Service Account"). To the extent that such tax levies are not currently required for debt service, they will subsequently be transferred from the Debt Service Account to the Surplus Account, and will be available, if needed, to pay principal of and interest on the Bonds. The Issuer and the Commission hereby represent and agree as follows with respect to the Debt Service Account, the Escrow Fund, the Surplus Account and the Rebate Account:

(a) (i) All moneys held in the Debt Service Account will be used to pay debt service on the Bonds.

(ii) Any Sale Proceeds of the Bonds deposited in the Debt Service Account will constitute pre-issuance accrued interest on the Bonds and will be applied to pay principal and interest on the Bonds on May 1, 2013, and may be invested without restriction as to Yield.

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

(b) Moneys held in the Rebate Account will be used to pay arbitrage rebate within the meaning of Section 148(f) of the Code. Moneys in the Rebate Account may be invested without restriction as to Yield.

(c) Moneys held in the Escrow Fund shall be invested and shall be used as set out on Exhibit B and to call the Prior Bonds at a price of $40,571,700 together with the payment of principal and interest on the Prior Bonds on the due dates thereof prior to the Redemption Date (total of $47,421,597.10).

(d) Moneys deposited in the Surplus Account will not be invested at a yield in excess of the Yield on the Bonds

Section 3.3 Creation of Rebate Account. (a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess.

(b) (i) The Issuer agrees to create the Rebate Account in a depository to be held separate and apart from all other funds of the Issuer.

(ii) On or before 45 days after each Computation Date, the Issuer shall deposit in the Rebate Account, an amount such that the balance held in the Rebate Account equals the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. The moneys so deposited shall be derived from the Issuer s own funds.

Section 3.4 Calculation of Rebate Amount. To meet the rebate requirement of Section 148(f) of the Code, the Issuer agrees, covenants, or elects, whichever is applicable, as follows:

(a) For each investment of (i) amounts held in the Debt Service Account, (ii) amounts held in the Rebate Account, (iii) Transferred Proceeds of the Bonds, and (iv) any other moneys held by the Issuer that are Gross Proceeds, the Issuer shall record, or cause to be recorded, the purchase date of such investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(b) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (c) below, the Rebate Analyst described in Section 3.7 hereof shall compute the Yield on the Bonds as required by the Code and Regulations. If the Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek advice of Bond Counsel or other rebate expert to recompute the Yield on the Bonds as required by the Regulations.

(c) For each Computation Date, the Rebate Analyst described in Section 3.7 hereof shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (a) above that are allocable to Gross Proceeds of the Bonds. In addition, where Nonpurpose Investments are retained by the Commission after retirement of the Bonds, any unrealized gains or losses as of the date of retirement of the Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

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

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

(f) For each Computation Date, the Rebate Analyst shall calculate the Rebate Amount (computed from the Issue Date of the Bonds to each such Computation Date) by any appropriate method provided in the Code and Regulations that is applicable to the Bonds, taking into account any computation credit allowed thereunder. In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond year shall not be taken into account. In determining the Rebate Amount, the Rebate Analyst shall account for the amounts determined under paragraphs (c), (d), and (e) above.

Section 3.5 Payment to United States. (a) Installment Computation Dates. Unless the Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to the Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Bonds to each such Installment Computation Date).

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

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Ogden, Utah 84201. Each Payment shall be accompanied by (i) a copy of IRS Form 8038-T.

(d) Rebate on Prior Bonds. The Issuer acknowledges that the non-inclusion in gross income of interest on the Bonds depends upon compliance with the tax requirements, (including the rebate requirements, if any) that apply to the Prior Bonds. The Issuer will compute the required rebate amount for the Prior Bonds in accordance with the provisions of the Code and Regulations that are applicable to the Prior Bonds, and will pay the rebate amount with respect to the Prior Bonds to the United States on a timely basis.

Section 3.6 Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(a) The Issuer shall record all amounts paid to the United States pursuant to Section 3.5 hereof.

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

(c) The Issuer shall keep and record the data described in Section 3.4(a) hereof pertaining to the investment of the proceeds of the Bonds until six years after the Final Computation Date.

Section 3.7 Rebate Analyst. (a) The Issuer shall appoint a Rebate Analyst to perform the rebate calculations, as required herein. The Rebate Analyst and each successor Rebate Analyst shall signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer and the Commission under which such Rebate Analyst will agree to discharge its duties pursuant to this Tax Regulatory Agreement in a manner consistent with prudent industry practice.

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

Section 3.8 Terms of the Bonds and Calculation of Yield. (a) The date, maturities, price, denomination, and rates of interest of the Bonds are as shown in the Resolution.

(b) The initial offering-price of the Bonds is as set forth in the Bond Purchase Agreement. Based on past financing practices, the Issuer believes that such price is reasonable under customary standards applicable in the established tax exempt market.

(c) Based upon the statements provided by Piper Jaffray & Co., the yield on the Bonds is 2.8820%.

Section 3.9 Representations as to Investments. The Issuer represents and covenants that it has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

Section 3.10 Other Representations. In addition to the other representations in this Tax Regulatory Agreement, the Issuer represents, covenants, agrees and certifies as follows:

(a) On each Valuation Date, the Issuer agrees to value the Universal Cap and the Nonpurpose Investments allocable to the Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Bonds as of a Valuation Date shall not

be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

(b) The Issuer recognizes that amounts deposited in the Escrow Fund that were part of the Debt Service Account for the Prior Bonds must be allocated among expenditures from the Escrow Fund in accordance with section 1.148-9(c)(2) of the Regulations, and that under those Regulations those amounts will be allocated to the first expenditures from the Escrow Fund.

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

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

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

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

(g) Gross Proceeds of the Bonds, other than gross proceeds that are allocable to:

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

(ii) the payment of the Cost of Issuance of the Bonds;

(iii) the payment of administrative costs allocable to repaying the Prior Bonds, or carrying and repaying the Bonds;

(h) transferred proceeds allocable to expenditures for governmental purpose of the Prior Bonds;

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

(j) qualified guarantee fees (within the meaning of the Regulations) for the Bonds or the Prior Bonds will not exceed 1% of the Sale Proceeds from the Bonds.

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

(C) The Issuer certifies that it has not been notified of the listing or proposed listing of the Issuer by the IRS as an issuer that may not certify its bonds.

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

Section 3.11 Non-Arbitrage Certification. (A) The representations and covenants set forth in this Tax Regulatory Agreement are made for the purpose of establishing the Issuer's reasonable expectations as of the Issue Date as to the amount and use of the proceeds of the Bonds.

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

ARTICLE IV
TERM OF TAX REGULATORY AGREEMENT

This Tax Regulatory Agreement shall be effective from the date of issuance of the Bonds through the date that is six (6) years after the last Bond is Discharged pursuant to the terms of the Resolution.

ARTICLE V
AMENDMENTS

Notwithstanding any other provision hereof, any provision of this Tax Regulatory Agreement may be deleted or modified at any time at the option of the Issuer if the Issuer has provided an opinion of Bond Counsel satisfactory to the Commission that such deletion or

modification will not adversely affect the exclusion of interest on the Bonds from the gross income of the recipients thereof for purposes of federal income taxation.

ARTICLE VI
EVENTS OF DEFAULT, REMEDIES, COUNTERPARTS

Section 6.1 Events of Default. If the Issuer fails to perform any of its required duties or obligations under any provision hereof, such event shall constitute an Event of Default under this Tax Regulatory Agreement and under the Resolution.

Section 6.2 Remedies for an Event of Default. Upon an occurrence of an Event of Default under Article 6.1 hereof; the Commission may, in its discretion, proceed to protect and enforce the rights of the owners of the Bonds by pursuing any available remedy, including, but not limited to, a suit at law or in equity.

Section 6.3 Counterparts. This document may be executed in several counterparts each of which shall be deemed to be an original thereof.

IN WITNESS WHEREOF, the Issuer and the Commission have caused this Tax Regulatory Agreement to be executed in their respective names and by their proper officers hereunto duly authorized, all as of the day and year first written above.

THE BOARD OF EDUCATION OF THE
COUNTY OF MONONGALIA

By: Barbara L. Parsons
President

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: _____
Executive Director

IN WITNESS WHEREOF, the Issuer and the Commission have caused this Tax Regulatory Agreement to be executed in their respective names and by their proper officers hereunto duly authorized, all as of the day and year first written above.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: _____
President

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Executive Director

EXHIBIT A
Sources and Uses of Funds

Sources and Uses of Funds

Sources

Par Amount of Bonds		$42,615,000
Net Original Issue Premium		$4,806,597.10
Amounts Transferred from Bond Commission (Debt Service Account)		$-0-
	TOTAL	$47,421,597.10

Uses

Deposit to Escrow Account[1]		$47,107,495.10
Underwriter's Discount		$226,767.50
Cost of Issuance[2]		$87,334.50
	TOTAL	$47,421,597.10

[1] The Amount set forth in the Escrow Agreement as required, together with the income thereon to effect the advance refunding of the Series 2004 Bonds.

[2] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Registrar and Accountants' Verification Report.

EXHIBIT B

INFORMATION FOR PURPOSES OF FORM 8038-G

(a) Issuer's employee identification number	55-6000366
(b) Number of 8038-G reports previously filed by the Issuer this calendar year	None
(c) Issue price of the Bonds	$47,421,597.10
(d) Proceeds used for Accrued Interest	-0-
(e) Costs of Issuance (including Underwriter's Discount)	$314,102.00
(f) Reasonably required Reserve Fund deposits	-0-
(g) Proceeds used for Credit Enhancement	-0-
(h) Proceeds used to refund prior issues	$47,107,495.10
(i) Nonrefunding Proceeds	-0-
(j) Remaining weighted maturity of refunded bond	12.4506 yrs
(k) Last date on which refunded bonds will be called	March 3, 2014
(1) Date on which refunded bonds were issued	May 1, 2004
(m) Amount of Bonds designated by Issuer under §265(b)(3)(B)(i)(III)	-0-
(n) Weighted average maturity on Bonds	12.1559 yrs
(o) Yield	2.8820%
(p) Net interest cost	3.690138%

CERTIFICATE OF DETERMINATION PURSUANT TO RESOLUTION AND ORDER ADOPTED BY THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA ON APRIL 24, 2012 RELATING TO THE ISSUANCE AND SALE OF NOT TO EXCEED $49,000,000 PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

The undersigned President and Secretary of The Board of Education of the County of Monongalia (the "Issuer"), on behalf of the Issuer, pursuant to a Resolution and Order (the "Bond Resolution") adopted at a public meeting of the Issuer held on April 24, 2012, relating to the issuance and sale of not to exceed $49,000,000 Public School Refunding Bonds, Series 2012 (the "Bonds"), hereby make the following determinations:

1. The Bonds shall be issued in the aggregate principal amount of $42,615,000 and shall be issued in book-entry form.

2. All of the Series 2004 Bonds shall be redeemed.

3. The Bonds shall be issued in one series, being a tax-exempt series designated the Board of Education of the County of Monongalia Public School Refunding Bonds, Series 2012.

4. The Bonds shall be issued as Serial Bonds in the amounts and with the maturities as provided in Exhibit A attached hereto.

5. The interest rates for such Bonds shall be as provided in Exhibit A attached hereto.

6. The purchase price for the Bonds shall be $47,194,829.60, which is the par amount of the Bonds, $42,615,000, plus a net original issue premium of $4,806,597.10 less an underwriter's discount of $226,767.50.

7. The West Virginia Municipal Bond Commission is hereby designated to serve as provided in the Escrow Agreement attached hereto as Exhibit B.

8. United Bank, Inc. shall serve as Registrar for the Bonds.

9. The debt service on the Bonds shall be as set forth in Exhibit C attached hereto to be payable as provided in the Bond Resolution.

[Signature Page to Certificate of Determination]

IN WITNESS WHEREOF, the undersigned President and Secretary of the Board of Education of the County of Monongalia has caused this document to be executed as of the 19th day of June, 2012.

Barbara Parsons, Ed. D.

Dr. Barbara L. Parsons
President

Frank A. Devono Ed.D.

Dr. Frank Devono
Secretary

$42,615,000 THE BOARD OF EDUCATION OF
THE COUNTY OF MONONGALIA (WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

CERTIFICATE OF THE CHAIRMAN OF THE WV MUNICIPAL BOND COMMISSION

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

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

2. This certificate is delivered in response to a letter request, dated July 10, 2012, from The Monongalia County Board of Education, West Virginia, and pursuant to Chapter 13, Article 2, Section 1, of the Code of West Virginia, 1931, as amended.

3. According to the information provided to the Commission, on or about July 10, 2012, the Monongalia County Board of Education will issue its Series 2012 Public School Refunding Bonds, dated July 10, 2012, in the principal amount of $42,615,000, with interest rates of 1.75 to 5.00%. This issue will refund its Series 2004 Public School Bonds, dated May 1, 2004, with remaining principal outstanding of $42,715,000 and interest rates of 4.00 to 5.00%.

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

Tax Year Beginning July 1	Taxes Available	Projected Debt Service
2012	3,872,567	3,209,433.71
2013	3,872,567	3,205,725.00
2014	3,872,567	3,204,725.00
2015	3,872,567	3,201,525.00
2016	3,872,567	3,196,125.00
2017	3,872,567	3,188,525.00

2018	3,872,567	3,182,525.00
2019	3,872,567	3,180,362.50
2020	3,872,567	3,173,112.50
2021	3,872,567	3,163,362.50
2022	3,872,567	3,162,262.50
2023	3,872,567	3,151,012.50
2024	3,872,567	3,145,512.50
2025	3,872,567	3,136,312.50
2026	3,872,567	3,129,112.50
2027	3,872,567	3,123,062.50
2028	3,872,567	3,115,250.00
2029	3,872,567	3,103,000.00
2030	3,872,567	3,095,250.00
2031	3,872,567	3,086,500.00
2032	3,872,567	3,076,500.00
		$66,229,195.21

5. The total debt service on the Series 2012 Refunding Bonds will be $66,229,195.21 or $3,486,554.79 less than the remaining debt service on the Series 2004 Bonds. The debt service due each year on the Series 2012 Refunding Bonds does not exceed the taxes expected to be available for the payment of the same, and the total debt service does not exceed the total remaining authorized levy of $83,151,117.45.

WITNESS my signature this 18th day of July 2012.

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

Closing Item No. B-5

$42,615,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CERTIFICATE OF UNDERWRITER

The undersigned, Marie L. Prezioso, Senior Vice President and Manager of West Virginia Public Finance of Piper Jaffray & Co. (the "Underwriter"), as underwriter of the Bonds identified above (the "Bonds"), hereby certifies that:

1. All of the Bonds were offered to the general public in a bona fide public offering at prices (the "Initial Offering Prices") that were not greater than and yields no lower than, those shown on the inside cover page of the Official Statement dated June 19, 2012, relating to the Bonds (the "Official Statement"). The fair market value of the Bonds is not in excess of the Initial Offering Prices. There is no pre-issuance accrued interest on the Bonds. A substantial amount of the Bonds (in excess of 10%) was sold or at the time of sale of the Bonds was reasonably expected by the Underwriter to be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the Initial Offering Prices not greater than, and yields no lower than, the respective prices and yields shown on the inside cover of the Official Statement. The aggregate of the Initial Offering Prices of the Bonds is $47,421,597.10.

2. The Underwriter's discount is $226,767.50, which will be withheld by the Underwriter from the purchase price otherwise paid to the Issuer as compensation for its services in selling the Bonds to the public.

All capitalized terms not defined in this Certificate have the respective meanings set forth in the Tax Regulatory Agreement and Non-Arbitrage Certificate.

The signer is an officer of the Underwriter and is 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 Regulatory Agreement and Non-Arbitrage Certificate and in completing and filing the Information Return for the Bonds, and by Bowles Rice McDavid Graff & Love LLP, as Bond Counsel, in rendering certain of its legal opinions in connection with the issuance of the Bonds; provided, however, that nothing herein represents any interpretation by the Underwriter of any rules or regulations under the Internal Revenue Code of 1986, as amended.

Dated: July 10, 2012

PIPER JAFFRAY & CO.

By: _____
Its: Senior Vice President and Manager of West Virginia Public Finance

$42,615,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CERTIFICATE OF REGISTRAR

The undersigned KATHY SMITH, Vice President and Trust Officer, of United Bank, Inc., Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the meanings set forth in the Resolution and Order Providing for and Authorizing the Advanced Refunding of the Series 2004 Bonds of the Board of Education of the County of Monongalia (West Virginia) (the "Issuer") adopted April 24, 2012 (the "Resolution").

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

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

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

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

Name	Title	Signature
Kathy Smith	Vice President & Trust Officer	

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

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

IN WITNESS WHEREOF, United Bank, Inc., has caused this Certificate to be executed by a duly authorized officer, this 10th day of July, 2012.

UNITED BANK, INC.

By: _____

Its: Vice President and Trust Officer

EXHIBIT A

Series 2012 Bonds

Maturity (May 1)	Amount	Coupon	Price	Yield	CUSIP
2013	1,695,000	4.00%	102.877	0.430%	610219CM7
2014	1,400,000	4.00%	106.086	0.610%	610219CN5
2015	1,455,000	4.00%	108.809	0.820%	610219CP0
2016	1,510,000	4.00%	111.181	1.000%	610219CQ8
2017	1,565,000	4.00%	112.743	1.260%	610219CR6
2018	1,620,000	5.00%	118.967	1.570%	610219CS4
2019	695,000	1.75%	99.489	1.830%	610219CT2
2019	1,000,000	4.00%	113.829	1.830%	610219DH7
2020	1,745,000	5.00%	121.022	2.070%	610219CU9
2021	1,825,000	3.00%	105.796	2.270%	610219CV7
2022	1,870,000	3.00%	105.124	2.410%	610219CW5
2023	1,925,000	5.00%	120.368	2.630%*	610219CX3
2024	2,010,000	5.00%	118.562	2.820%*	610219CY1
2025	2,105,000	4.00%	107.120	3.150%*	610219CZ8
2026	2,180,000	4.00%	105.821	3.300%*	610219DA2
2027	2,260,000	4.25%	107.380	3.360%*	610219DB0
2028	2,350,000	4.375%	107.810	3.430%*	610219DC8
2029	2,445,000	5.00%	114.502	3.260%*	610219DD6
2030	2,555,000	5.00%	113.871	3.330%*	610219DE4
2031	2,675,000	5.00%	113.245	3.400%*	610219DF1
2032	2,800,000	5.00%	112.711	3.460%*	610219DJ3
2033	2,930,000	5.00%	112.092	3.530%*	610219DG9

*Priced to the first optional redemption date of May 1, 2022.

$42,615,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CERTIFICATE OF PAYING AGENT

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

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

2. The Bond Commission has duly authorized, by all necessary action, the acceptance of all duties of the Paying Agent for the above-captioned Bonds (the "Bonds") under the Resolution and Order pursuant to which they were issued, adopted on April 24, 2012.

WITNESS my signature this 10th day of July, 2012.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Executive Director

$42,615,000
The Board of Education of the County of Monongalia
Public School Refunding Bonds, Series 2012

RULE 15c2-12 CERTIFICATE OF THE ISSUER

The undersigned hereby certify and represent to Piper Jaffray & Co. (the "Original Purchaser") that they are duly authorized to execute and deliver this Certificate on behalf of The Board of Education of the County of Monongalia (West Virginia) (the "Issuer") and further certify on behalf of the Issuer that:

(1) This Certificate is delivered to enable the Original Purchaser to comply with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with the issuance of above-captioned bonds, dated the date hereof (the "Bonds");

(2) In connection with the issuance of the Bonds, there has been prepared a Preliminary Official Statement (the "Preliminary Official Statement") setting forth information concerning the Bonds, the Issuer of the Bonds and the Monongalia County School District (the "District");

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter and other terms depending on such matters, all with respect to the Bonds;

(4) The Preliminary Official Statement was, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions;

(5) If, at any time prior to the award of Bonds, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Original Purchaser thereof; and

(6) The Issuer hereby agrees to deliver to the Original Purchaser within seven (7) business days following the date hereof, a final Official Statement pursuant to paragraph (b)(3) of the Rule.

IN WITNESS WHEREOF, we have hereunto set our hands as of June 19, 2012.

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

By: Barbara L. Parsons

Its: President

MONONGALIA COUNTY SCHOOLS

13 South High Street, Morgantown, WV 26501
Phone: 304-291-9210 FAX 304-291-3015

BOARD OF EDUCATION
Dr. Barbara L. Parsons, *President* • Michael L. Kelly
• Dr. Clarence Harvey, Jr. • Nancy A. Walker • Craig Cerra

Superintendent
Dr. Frank D. Devono

July 10, 2012

Sara Boardman, Executive Director
The West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401
Charleston, West Virginia 25301

RE: $42,615,000 The Board of Education of Monongalia County (West Virginia)
Public School Refunding Bonds, Series 2012

Dear Ms. Boardman:

The Board of Education of Monongalia County at a regular meeting on April 24, 2012, has decided to undertake the necessary steps to refund its Public School Bonds, Series 2004.

The Board levied $3,534,256 for Fiscal Year (2013) to pay debt service on the Series 2004 Bonds. The Debt Service for the Series 2012 Refunding Bonds for Fiscal Year 2013 will be $3,209,432.71 plus 10% ($320,943.27) for a total of $3,530,375.98.

The Board requests that the surplus funds currently on deposit and any funds remaining after all taxes collected for the Series 2004 Bonds less any fees for fiscal year 2012 be put in the surplus account for the Board to withdraw and use to complete projects approved by the voters for the Series 2004 Bonds or to give further direction. The Board plans to keep some funds approximately $321,000 in this surplus account until the taxes collected for fiscal year 2013 are sufficient to meet the debt service.

Sincerely,

Frank Devono

Frank Devono, Ed. D.
Superintendent

$42,615,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CERTIFICATE OF ESCROW AGENT

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

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

2. As Executive Director, I am duly authorized to execute and deliver on behalf of the Bond Commission the Escrow Agreement dated July 10, 2012, between The Board of Education of the County of Monongalia (West Virginia) (the "Issuer") and the Bond Commission (the "Escrow Agreement").

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

4. Pursuant to the Escrow Agreement, as of this day there is on deposit in the Escrow Fund established pursuant to the Escrow Agreement, United States government securities in the amount of $47,107,495.10, which will remain invested in the Escrow Fund to pay, when due, the principal of and interest and redemption premium on the Issuer's Public School Bonds, Series 2004, all as set forth in the Escrow Agreement.

WITNESS my signature this 10th day of July, 2012.

Sara Boardman
Executive Director
West Virginia Municipal Bond Commission

NOTICE OF DEFEASANCE

$50,000,000 THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (WEST VIRGINIA) PUBLIC SCHOOL BONDS, SERIES 2004

TO ALL HOLDERS OF THE ABOVE-CAPTIONED BONDS:

You are hereby notified that all the above-captioned Public School Bonds issued by The Board of Education of the County of Monongalia, West Virginia, on behalf of the Monongalia County School District, outstanding on the date hereof in the aggregate principal amount of $42,715,000, have been refunded on the date hereof and are deemed to have been paid in accordance with the provisions of Chapter 13, Article 2, of the Code of West Virginia, 1931, as amended, and the lien on the ad valorem property taxes in said School District on behalf of such Bonds has been defeased. Sufficient United States government obligations have been transferred and are irrevocably credited to the West Virginia Municipal Bond Commission, as fiduciary, to pay the principal of and interest on such Bonds as the same become due and payable and to pay the Redemption Price of the Bonds on May 1, 2014.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

Frank Devono

Frank Devono
Secretary of the Board

Date: July 10, 2012

ESCROW AGREEMENT

This ESCROW AGREEMENT, made and entered into as of July 10, 2012, by and between THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (WEST VIRGINIA) (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION, as Escrow Agent (the "Commission" or the "Escrow Agent").

WITNESSETH THAT:

WHEREAS, on May 26, 2004, the Issuer issued its Public School Bonds, Series 2004, in the original aggregate principal amount of $50,000,000, of which $42,715,000 is presently outstanding (the "Prior Bonds");

WHEREAS, the Issuer has determined to issue its Public School Refunding Bonds, Series 2012 (the "Refunding Bonds"), pursuant to a Resolution and Order adopted and entered on April 24, 2012 (the "Order"), and contemporaneously therewith, legally defease the Prior Bonds by applying a portion of the proceeds of the Refunding Bonds to the purchase of United States government obligations which shall be deposited in the Escrow Fund to be held by the Escrow Trustee as herein described;

WHEREAS, the Commission, as Escrow Agent, will apply a portion of the proceeds of the Refunding Bonds deposited with it in the amount of $47,107,495.10 to the purchase of the United States government obligations (the "Government Obligations") identified in the Verification Report, dated July 10, 2012, of Grant Thornton LLP, Minneapolis, Minnesota, attached hereto as EXHIBIT A - VERIFICATION REPORT (the "Verification Report"), which Government Obligations upon receipt thereof by the Escrow Agent shall be deposited into the Escrow Fund herein described;

WHEREAS, the Government Obligations placed in the Escrow Fund on the date hereof (the "Closing Date") are in such amount as to insure the payment of the accruing interest on the Prior Bonds each November 1 and May 1, commencing November 1, 2012, and the principal of the Prior Bonds accruing each May 1 to and including May 1, 2014 (the "Redemption Date") and to pay the redemption price of the Prior Bonds, which shall equal $40,571,700 (the "Redemption Price") on the Redemption Date;

WHEREAS, the Issuer has found it desirable to appoint the Commission as Escrow Agent and the Commission has agreed to such appointment for the purposes of holding title, as agent for the Issuer, to the "Government Obligations", disbursing to the registered owner of the Prior Bonds the amounts necessary to pay the accruing interest on the Prior Bonds each May 1 and November 1, commencing November 1, 2012 to and including the Redemption Date, together with the amounts necessary to pay the maturing principal of the Prior Bonds each May 1, commencing May 1, 2013, to and including the Redemption Date, and to pay the Redemption Price to the registered owner of the Prior Bonds on the Redemption Date; and

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

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

1. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent, to be maintained in a separate and discrete deposit account, an irrevocable trust fund to be known as the Escrow Fund, to be held in the custody of the Escrow Agent, separate and apart from all other funds of the Issuer and the Escrow Agent. The deposit of the Government Obligations in the Escrow Fund shall constitute an irrevocable deposit of said Government Obligations in trust for the payment of the principal of and interest on the Prior Bonds on the due dates thereof and to pay the Redemption Price of the Prior Bonds on the Redemption Date, all in accordance with paragraph 4 hereof.

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

3. Deposits to Escrow Fund. Concurrently with the delivery of the Refunding Bonds, the Issuer and the Escrow Agent shall cause $47,107,495.10 to be deposited in the Escrow Fund, and the Escrow Agent will thereupon immediately use such funds to purchase the Government Obligations. According to the Verification Report, the maturity Government Obligations will be sufficient to insure the payment of the accruing interest on the Prior Bonds each November 1 and May 1, commencing November 1, 2012, and the principal of the Prior Bonds accruing each May 1 to and including the Redemption Date and to pay the Redemption Price of the Prior Bonds on the Redemption Date and the Escrow Agent covenants to apply the proceeds of the Government Obligations as they mature to such payments.. The securities in the Escrow Fund, shall be applied solely as Grant Thornton LLP, has certified, in its Verification Report, attached hereto as EXHIBIT A, so that the Government Obligations in the Escrow Fund will be sufficient to make the payments as herein required.

4. Application of Escrow Fund. The Escrow Agent, without further authorization from the Issuer, shall apply proceeds of the Government Obligations as they mature directly to the payment to the Registered Owner of the Prior Bonds of accrued interest on the Prior Bonds on each November 1 and May 1, commencing November 1, 2012, to the payment to the Registered Owner of the Prior Bonds of the maturing principal of the Prior Bonds each May 1, commencing May 1, 2013 to and including the Redemption Date and to pay to the Registered Owner of the Prior Bonds the Redemption Price of the Prior Bonds on the Redemption Date.

The Government Obligations, in the Escrow Fund shall, and the Escrow Agent agrees such Government Obligations will, be used solely for the purpose as above described and the deposit of such Government Obligations into the Escrow Fund shall be irrevocable, and the Escrow Agent agrees it will not surrender or otherwise attempt to redeem or otherwise negotiate the Government Obligations in the Escrow Fund. Subject to the foregoing requirements for the use of the Escrow Fund and the moneys and investments therein, the Issuer covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to

the Escrow Funds therein and that the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the Government Obligations therein.

5. Deposit to Special Surplus Account. Concurrently with the delivery of the Refunding Bonds funds on deposit in the Surplus Collections Account for the Prior Bonds shall be transferred by the Commission to the Special Surplus Account. On the Closing Date, or as soon thereafter as possible, a portion of such deposit in the amount of approximately $2,519,361.53, and additional 2012 levies, if any, shall be paid from the Escrow Agent to the Issuer, and used by the Issuer to pay costs of projects which were approved by the voters in the Monongalia County School District pursuant to the bond election which was held for the Prior Bonds on October 4, 2003. The funds on deposit in the Special Surplus Account shall not be pledged to the repayment of the Prior Bonds or the Refunding Bonds.

6. Lien of Prior Bonds. The holders of the Prior Bonds shall have an express lien on all moneys and securities in the Escrow Fund until paid out, used and applied in accordance with this Agreement. The holders of the Refunding Bonds shall have no lien on the moneys and securities in the Escrow Fund.

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

8. Escrow Agent's Fees. The Issuer agrees to pay the Escrow Agent's reasonable and customary administrative fees and to reimburse the Escrow Agent for its reasonable and customary out-of-pocket expenses and reasonable fees of counsel incurred in connection with the discharge by the Escrow Agent of its duties and responsibilities under this Escrow Agreement. The Escrow Agent expressly waives any lien upon or claim against the moneys and investments in the Escrow Fund. Under no circumstances shall the Escrow Agent have a lien on the Escrow Fund for any charges, fees or expenses, and under no circumstances shall the Escrow Agent make any claim against the Escrow Fund for any charges, fees or expenses.

9. Beneficiaries of This Escrow Agreement. This Escrow Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Escrow Agent and their respective successors and assigns, subject to the provisions of this Escrow Agreement. In addition, this Escrow Agreement shall constitute a third party beneficiary contract for the benefit of the registered owners of the Prior Bonds. Said third party beneficiaries shall be entitled to enforce performance and observance by the Issuer and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if such third party beneficiaries were parties hereto. In the event the Escrow Agent is unwilling or unable to continue to serve as Escrow Agent, a successor Escrow Agent may be appointed by the Issuer

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

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

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

(a) The Issuer shall have the right, at any time, to examine all of the Escrow Agent's records regarding the status of the funds or accounts created pursuant to this Escrow Agreement, and the redemptions and withdrawals therefrom with respect to the funds or accounts created pursuant to this Escrow Agreement. After the Prior Bonds have been paid in full, the Issuer shall obtain all records and files relating to this Escrow Agreement form the Escrow Agent. The Issuer shall keep all of such records and files available for inspection for six (6) years from such date the Prior Bonds have been paid in full.

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

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

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

14. Governing Law. This Escrow Agreement shall be governed by the internal laws of the State of West Virginia.

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

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

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

The Issuer:	The Board of Education of the County of Monongalia 13 South High Street Morgantown, West Virginia 26501 ATTN: President
The Escrow Agent:	West Virginia Municipal Bond Commission 1207 Quarrier Street, Suite 401 Charleston, West Virginia 25301 ATTN: Executive Director

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

THE BOARD OF EDUCATION OF THE
COUNTY OF MONONGALIA

By: Barbara L. Parsons
Its: President

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: _____
Its: Executive Director

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: _____
Its: President

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Executive Director

EXHIBIT A - VERIFICATION REPORT

SEE CLOSING ITEM NO. C. 6. AT TAB 18

Garner, Tammy L

From: Butch, Sharon <sharon.butch@wvsto.com>
Sent: Tuesday, July 10, 2012 9:47 AM
To: Municipal Bond Commission (munibondcomm@state.wv.us); Boardman, Sara L; Lanham, Patty A; Garner, Tammy L
Cc: Participant Accounting Group
Subject: 07/10/2012 INCOMING WIRE

Sara,

Please use deposit location 00900.

Thank you

47,107,495.10	IND IN MON TRAN 09:39:36 Fed Ref#: 0710L3LF151C00039707100939FT03 BB&T Ref# 120710001913 ABA#/BANK XXXXXX022 U.S. BANK,N.A. ORIG:PIPER JAFFRAY 800 NICOLLET MALL MINNEAPOLIS MN MISC:REF MUNICIPAL BOND COMMISSION BANK CONTACT MICHAEL HOLTSCLOW 304 348 7078	REF1:RCVD

Sharon Butch
Cash Manager
Participant Accounting Group
WV State Treasurer's Office
304 341-0706 Telephone
304 340-1507 Fax

D1885324

Cash Flow and Yield Verification Report

The Board of Education of the County of Monongalia, West Virginia

July 10, 2012

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Exhibit A	Schedule of Sources and Uses of Funds
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Exhibit B-2	Debt Service Payments on the Refunded Bonds and Debt Service Payments to Maturity on the Refunded Bonds
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Exhibit C-1	Net Original Issue Premium on the Bonds
Exhibit C-2	Calculation of the True Interest Cost Yield
Exhibit D	Net Present Value Savings
Appendix I	Applicable schedules provided by Piper Jaffray & Co.

Grant Thornton

Audit • Tax • Advisory

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

T 612.332.0001
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Report of Independent Certified Public Accountants On Applying Agreed-Upon Procedures

The Board of Education of the County of Monongalia
13 South High Street
Morgantown, West Virginia

Bowles Rice McDavid Graff & Love LLP
600 Quarrier Street
Charleston, West Virginia

The West Virginia Municipal Bond Commission
1207 Quarrier Street
Charleston, West Virginia

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

$42,615,000
The Board of Education of the
County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012
Dated July 10, 2012

We have performed the procedures described in this report, which were agreed to by The Board of Education of the County of Monongalia, West Virginia (the "Board") and Piper Jaffray & Co. (the "Underwriter"), to verify the mathematical accuracy of certain computations contained in the schedules attached in Appendix I provided by the Underwriter. The Underwriter is responsible for these schedules. These procedures were performed solely to assist you in the issuance of the above-captioned bond issue (the "Bonds") for the purpose of refunding the Board's outstanding Public School Bonds, Series 2004 (the "Refunded Bonds") as summarized on the next page. This engagement was performed in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the addressees of this report who are the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in this report either for the purpose for which this report has been requested or for any other purpose.

Series	Principal Issued	Dated	Principal Refunded	Maturities Refunded	Redemption Date	Redemption Price
2004	$50,000,000	May 1, 2004	$42,715,000	5-1-13 to 5-1-27 and 5-1-33	5-1-14	101%

VERIFICATION OF ESCROW ACCOUNT CASH FLOW SUFFICIENCY

The Underwriter provided us with schedules (Appendix I) summarizing future escrow account cash receipts and disbursements. These schedules indicate that there will be sufficient cash available in the escrow account to pay the principal, interest and redemption premium on the Refunded Bonds assuming the Refunded Bonds maturing on and after May 1, 2015 will be redeemed on May 1, 2014 at 101 percent of par plus accrued interest.

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

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B through B-2 independently calculating future escrow account cash receipts and disbursements and compared the information used in our calculations to the information listed below contained in applicable pages of the following documents:

- Trade confirmations provided by the Underwriter used to acquire certain United States Treasury Notes (the "T-Notes") insofar as the T-Notes are described as to the principal amounts, interest rates, purchase prices and maturity dates; and

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

Our procedures, as summarized in Exhibits B through B-2, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing future escrow account cash receipts and disbursements. The schedules provided by the Underwriter and those prepared by us reflect that the anticipated receipts from the T-Notes will be sufficient to pay, when due, the principal, interest and redemption premium related to the Refunded Bonds assuming the Refunded Bonds maturing on and after May 1, 2015 will be redeemed on May 1, 2014 at 101 percent of par plus accrued interest.

VERIFICATION OF YIELDS

The Underwriter provided us with schedules (Appendix I) which indicate that the yield on the cash receipts from the T-Notes is less than the yield on the Bonds. These schedules were prepared based on the assumed settlement date of July 10, 2012 using a 360-day year with interest compounded semi-annually. The term "yield", as used herein, means that yield which, when used in computing the present value of all payments of principal and interest to be paid or received on an obligation produces an amount equal to, in the case of the cash receipts from the T-Notes, the purchase price, and in the case of the Bonds, the issue price. In addition, we found that the schedules provided by the Underwriter, which assume the redemption of the May 1, 2023 through May 1, 2033 maturities identified on Exhibits C and C-1 at par on May 1, 2022 plus accrued interest, correctly treat those Bonds as yield-to-call Bonds as retired on the

respective dates that for each Bond produces the lowest yield for the issue that includes the Bonds. Those Bonds identified as yield-to-call Bonds on the attached Exhibits C and C-1 are those Bonds that are subject to optional redemption and that are issued at an issue price that exceeds the stated redemption price at maturity of such Bonds by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity of such Bonds and the number of complete years to the first optional redemption date for the Bonds. We found that there are no other yield-to-call Bonds other than those identified on the attached Exhibits C and C-1.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B-1 and C independently calculating the yields on (i) the cash receipts from the T-Notes calculated on Exhibit B-1, and (ii) the Bonds using the Official Statement provided by the Underwriter insofar as the Bonds are described as to the maturity and interest payment dates, dated date, principal amounts, interest rates, optional redemption date and price, and issue price to the public. The results of our calculations, based on the aforementioned assumptions, are summarized below:

	Yield	Exhibit
• Yield on the cash receipts from the T-Notes	0.270488%	B-1
• Yield on the Bonds	2.881991%	C

Our procedures, as summarized in Exhibits B-1 and C, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the yields. The schedules provided by the Underwriter and those prepared by us reflect that the yield on the cash receipts from the T-Notes is less than the yield on the Bonds.

VERIFICATION OF NET PRESENT VALUE SAVINGS

The Underwriter provided us with schedules (Appendix I) which indicate the net present value savings arising from the refunding of the Refunded Bonds. As part of our engagement to recalculate the schedules attached as Appendix I we prepared a schedule attached hereto as Exhibit D independently calculating the net present value savings using the information contained in the Official Statements for the Bonds and the Refunded Bonds and certain information and assumptions provided by the Underwriter. We express no opinion as to the reasonableness of these assumptions.

Our procedures, as summarized in Exhibit D, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the net present value savings. The schedules provided by the Underwriter and the schedule prepared by us reflect that the net debt service savings arising from the refunding of the Refunded Bonds, using as a discount rate the True Interest Cost yield of 3.430758% as shown on Exhibit C-2, is $2,493,630.98.

* * * * * *

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

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

Grant Thornton LLP

Minneapolis, Minnesota
July 10, 2012

Exhibit A

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

SCHEDULE OF SOURCES AND USES OF FUNDS

July 10, 2012

SOURCES:	
Principal amount of the Bonds	$42,615,000.00
Net original issue premium	4,806,597.10
	$47,421,597.10
USES:	
Purchase price of the T-Notes	$47,107,495.10
Costs of issuance	87,334.50
Underwriter's discount	226,767.50
	$47,421,597.10

Exhibit B

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

ESCROW ACCOUNT CASH FLOW

Dates	Cash receipts from T-Notes (Exhibit B-1)	Debt service payments on Refunded Bonds (Exhibit B-2)	Cash balance
10-31-12	$1,071,309.38		$1,071,309.38
11-01-12		$1,067,875.00	3,434.38
04-30-13	2,317,077.50		2,320,511.88
05-01-13		2,312,875.00	7,636.88
10-31-13	1,039,127.50		1,046,764.38
11-01-13		1,036,750.00	10,014.38
04-30-14	42,898,437.50		42,908,451.88
05-01-14		42,908,450.00	1.88
	$47,325,951.88	$47,325,950.00	

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

CASH RECEIPTS FROM AND YIELD ON THE T-NOTES

Receipt date	Principal	Interest rate	Interest	Cash receipts from T-Notes	Present value on July 10, 2012 using a yield of 0.270488%
10-31-12	$657,000	0.375%	$414,309.38	$1,071,309.38	$1,070,416.88
04-30-13	1,904,000	0.625%	413,077.50	2,317,077.50	2,312,037.65
10-31-13	632,000	2.750%	407,127.50	1,039,127.50	1,035,459.13
04-30-14	42,500,000	1.875%	398,437.50	42,898,437.50	42,689,581.44
	$45,693,000		$1,632,951.88	$47,325,951.88	$47,107,495.10

The sum of the present values of the cash receipts from the T-Notes on July 10, 2012, using a yield of 0.270488%, is equal to the purchase price of the T-Notes as shown below:

Type	Maturity date	Principal amount	Interest rate	Price	Cost	Accrued interest	Purchase price
T-Notes	10-31-12	$657,000	0.375%	100.089516%	$657,588.12	$475.34	$658,063.46
T-Notes	04-30-13	1,904,000	0.625%	100.337684%	1,910,429.50	2,295.92	1,912,725.42
T-Notes	10-31-13	632,000	2.750%	103.246038%	652,514.96	3,353.21	655,868.17
T-Notes	04-30-14	42,500,000	1.875%	102.887278%	43,727,093.15	153,744.90	43,880,838.05
		$45,693,000			$46,947,625.73	$159,869.37	$47,107,495.10

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

DEBT SERVICE PAYMENTS ON THE REFUNDED BONDS AND DEBT SERVICE PAYMENTS TO MATURITY ON THE REFUNDED BONDS

Date	Principal	Interest rate	Interest	Premium	Debt service payments
11-01-12			$1,067,875.00		$1,067,875.00
05-01-13	$1,245,000	5.000%	1,067,875.00		2,312,875.00
11-01-13			1,036,750.00		1,036,750.00
05-01-14	41,470,000	(1)	1,036,750.00	$401,700.00	42,908,450.00
	$42,715,000		$4,209,250.00	$401,700.00	$47,325,950.00

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

Date	Principal	Interest rate	Interest	Debt service payments to maturity
11-01-12			$1,067,875.00	$1,067,875.00
05-01-13	$1,245,000	5.000%	1,067,875.00	2,312,875.00
11-01-13			1,036,750.00	1,036,750.00
05-01-14	1,300,000	5.000%	1,036,750.00	2,336,750.00
11-01-14			1,004,250.00	1,004,250.00
05-01-15	1,360,000	5.000%	1,004,250.00	2,364,250.00
11-01-15			970,250.00	970,250.00
05-01-16	1,425,000	5.000%	970,250.00	2,395,250.00
11-01-16			934,625.00	934,625.00
05-01-17	1,490,000	5.000%	934,625.00	2,424,625.00
11-01-17			897,375.00	897,375.00
05-01-18	1,560,000	5.000%	897,375.00	2,457,375.00
11-01-18			858,375.00	858,375.00
05-01-19	1,635,000	5.000%	858,375.00	2,493,375.00
11-01-19			817,500.00	817,500.00
05-01-20	1,710,000	5.000%	817,500.00	2,527,500.00
11-01-20			774,750.00	774,750.00
05-01-21	1,790,000	5.000%	774,750.00	2,564,750.00
11-01-21			730,000.00	730,000.00
05-01-22	1,870,000	5.000%	730,000.00	2,600,000.00
11-01-22			683,250.00	683,250.00

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

DEBT SERVICE PAYMENTS ON THE REFUNDED BONDS AND DEBT SERVICE PAYMENTS TO MATURITY ON THE REFUNDED BONDS

Date	Principal	Interest rate	Interest	Debt service payments to maturity
05-01-23	1,960,000	5.000%	683,250.00	2,643,250.00
11-01-23			634,250.00	634,250.00
05-01-24	2,050,000	5.000%	634,250.00	2,684,250.00
11-01-24			583,000.00	583,000.00
05-01-25	2,145,000	5.000%	583,000.00	2,728,000.00
11-01-25			529,375.00	529,375.00
05-01-26	2,245,000	5.000%	529,375.00	2,774,375.00
11-01-26			473,250.00	473,250.00
05-01-27	2,350,000	5.000%	473,250.00	2,823,250.00
11-01-27			414,500.00	414,500.00
05-01-28	2,460,000	5.000%	414,500.00	2,874,500.00
11-01-28			353,000.00	353,000.00
05-01-29	2,575,000	5.000%	353,000.00	2,928,000.00
11-01-29			288,625.00	288,625.00
05-01-30	2,690,000	5.000%	288,625.00	2,978,625.00
11-01-30			221,375.00	221,375.00
05-01-31	2,820,000	5.000%	221,375.00	3,041,375.00
11-01-31			150,875.00	150,875.00
05-01-32	2,950,000	5.000%	150,875.00	3,100,875.00
11-01-32			77,125.00	77,125.00
05-01-33	3,085,000	5.000%	77,125.00	3,162,125.00
	$42,715,000		$27,000,750.00	$69,715,750.00

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

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

	$42,615,000 issue dated July 10, 2012					Present value on
Date	Principal	Interest rate	Interest	Total debt service	(1) Adjusted debt service	July 10, 2012 using a yield of 2.881991%
11-01-12			$577,670.21	$577,670.21	$577,670.21	$572,596.00
05-01-13	$1,695,000	4.000%	936,762.50	2,631,762.50	2,631,762.50	2,571,588.83
11-01-13			902,862.50	902,862.50	902,862.50	869,686.94
05-01-14	1,400,000	4.000%	902,862.50	2,302,862.50	2,302,862.50	2,186,733.40
11-01-14			874,862.50	874,862.50	874,862.50	818,943.85
05-01-15	1,455,000	4.000%	874,862.50	2,329,862.50	2,329,862.50	2,149,963.64
11-01-15			845,762.50	845,762.50	845,762.50	769,370.88
05-01-16	1,510,000	4.000%	845,762.50	2,355,762.50	2,355,762.50	2,112,541.85
11-01-16			815,562.50	815,562.50	815,562.50	720,970.61
05-01-17	1,565,000	4.000%	815,562.50	2,380,562.50	2,380,562.50	2,074,561.91
11-01-17			784,262.50	784,262.50	784,262.50	673,743.76
05-01-18	1,620,000	5.000%	784,262.50	2,404,262.50	2,404,262.50	2,036,112.11
11-01-18			743,762.50	743,762.50	743,762.50	620,927.05
05-01-19	1,695,000	(2)	743,762.50	2,438,762.50	2,438,762.50	2,007,069.02
11-01-19			717,681.25	717,681.25	717,681.25	582,251.87
05-01-20	1,745,000	5.000%	717,681.25	2,462,681.25	2,462,681.25	1,969,581.68
11-01-20			674,056.25	674,056.25	674,056.25	531,432.89
05-01-21	1,825,000	3.000%	674,056.25	2,499,056.25	2,499,056.25	1,942,293.32
11-01-21			646,681.25	646,681.25	646,681.25	495,467.93
05-01-22	1,870,000	3.000%	646,681.25	2,516,681.25	28,751,681.25	21,715,759.55
11-01-22			618,631.25	618,631.25		
05-01-23	1,925,000	5.000%	618,631.25	2,543,631.25		
11-01-23			570,506.25	570,506.25		
05-01-24	2,010,000	5.000%	570,506.25	2,580,506.25		
11-01-24			520,256.25	520,256.25		
05-01-25	2,105,000	4.000%	520,256.25	2,625,256.25		
11-01-25			478,156.25	478,156.25		
05-01-26	2,180,000	4.000%	478,156.25	2,658,156.25		
11-01-26			434,556.25	434,556.25		
05-01-27	2,260,000	4.250%	434,556.25	2,694,556.25		
11-01-27			386,531.25	386,531.25		
05-01-28	2,350,000	4.375%	386,531.25	2,736,531.25		
11-01-28			335,125.00	335,125.00		
05-01-29	2,445,000	5.000%	335,125.00	2,780,125.00		
11-01-29			274,000.00	274,000.00		

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

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

	$42,615,000 issue dated July 10, 2012					
Date	Principal	Interest rate	Interest	Total debt service	(1) Adjusted debt service	Present value on July 10, 2012 using a yield of 2.881991%
05-01-30	2,555,000	5.000%	274,000.00	2,829,000.00		
11-01-30			210,125.00	210,125.00		
05-01-31	2,675,000	5.000%	210,125.00	2,885,125.00		
11-01-31			143,250.00	143,250.00		
05-01-32	2,800,000	5.000%	143,250.00	2,943,250.00		
11-01-32			73,250.00	73,250.00		
05-01-33	2,930,000	5.000%	73,250.00	3,003,250.00		
	$42,615,000		$23,614,195.21	$66,229,195.21	$58,140,420.21	$47,421,597.10

The present value of the future payments is equal to:

Principal amount of the Bonds	$42,615,000.00
Net original issue premium	4,806,597.10
	$47,421,597.10

The sum of the present values of the adjusted debt service payments of the Bonds on July 10, 2012, using a yield of 2.881991%, is equal to the issue price of the Bonds.

(1) Assumes that the May 1, 2023 through May 1, 2033 maturities are called on May 1, 2022 at 100 percent of par plus accrued interest.

(2) Actual principal amounts and interest rates are shown on Exhibit C-1.

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

NET ORIGINAL ISSUE PREMIUM ON THE BONDS

Maturity date	Principal	Interest rate	Yield	Initial public offering price	Net original issue premium (discount)
05-01-13	$1,695,000	4.000%	0.430%	102.877%	$48,765.15
05-01-14	1,400,000	4.000%	0.610%	106.086%	85,204.00
05-01-15	1,455,000	4.000%	0.820%	108.809%	128,170.95
05-01-16	1,510,000	4.000%	1.000%	111.181%	168,833.10
05-01-17	1,565,000	4.000%	1.260%	112.743%	199,427.95
05-01-18	1,620,000	5.000%	1.570%	118.967%	307,265.40
05-01-19	695,000	1.750%	1.830%	99.489%	(3,551.45)
05-01-19	1,000,000	4.000%	1.830%	113.829%	138,290.00
05-01-20	1,745,000	5.000%	2.070%	121.022%	366,833.90
05-01-21	1,825,000	3.000%	2.270%	105.796%	105,777.00
05-01-22	1,870,000	3.000%	2.410%	105.124%	95,818.80
05-01-23	1,925,000	5.000%	2.630%	120.368% (1) (2)	392,084.00
05-01-24	2,010,000	5.000%	2.820%	118.562% (1) (2)	373,096.20
05-01-25	2,105,000	4.000%	3.150%	107.120% (1) (2)	149,876.00
05-01-26	2,180,000	4.000%	3.300%	105.821% (1) (2)	126,897.80
05-01-27	2,260,000	4.250%	3.360%	107.380% (1) (2)	166,788.00
05-01-28	2,350,000	4.375%	3.430%	107.810% (1) (2)	183,535.00
05-01-29	2,445,000	5.000%	3.260%	114.502% (1) (2)	354,573.90
05-01-30	2,555,000	5.000%	3.330%	113.871% (1) (2)	354,404.05
05-01-31	2,675,000	5.000%	3.400%	113.245% (1) (2)	354,303.75
05-01-32	2,800,000	5.000%	3.460%	112.711% (1) (2)	355,908.00
05-01-33	2,930,000	5.000%	3.530%	112.092% (1) (2)	354,295.60
	$42,615,000				$4,806,597.10

(1) Maturities were priced to call on May 1, 2022 at 100 percent of par.

(2) Represents the yield-to-call Bonds included for purposes of computing yield on the Bonds.

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

CALCULATION OF THE TRUE INTEREST COST YIELD

	$42,615,000 issue dated July 10, 2012				
Date	Principal	Interest rate	Interest	Total debt service	Present value on July 10, 2012 using a yield of 3.430758%
11-01-12			$577,670.21	$577,670.21	$571,643.00
05-01-13	$1,695,000	4.000%	936,762.50	2,631,762.50	2,560,383.31
11-01-13			902,862.50	902,862.50	863,561.53
05-01-14	1,400,000	4.000%	902,862.50	2,302,862.50	2,165,474.41
11-01-14			874,862.50	874,862.50	808,794.57
05-01-15	1,455,000	4.000%	874,862.50	2,329,862.50	2,117,591.06
11-01-15			845,762.50	845,762.50	755,742.08
05-01-16	1,510,000	4.000%	845,762.50	2,355,762.50	2,069,522.07
11-01-16			815,562.50	815,562.50	704,383.52
05-01-17	1,565,000	4.000%	815,562.50	2,380,562.50	2,021,365.74
11-01-17			784,262.50	784,262.50	654,696.68
05-01-18	1,620,000	5.000%	784,262.50	2,404,262.50	1,973,212.92
11-01-18			743,762.50	743,762.50	600,122.24
05-01-19	1,695,000	(1)	743,762.50	2,438,762.50	1,934,587.29
11-01-19			717,681.25	717,681.25	559,710.95
05-01-20	1,745,000	5.000%	717,681.25	2,462,681.25	1,888,225.16
11-01-20			674,056.25	674,056.25	508,106.90
05-01-21	1,825,000	3.000%	674,056.25	2,499,056.25	1,852,031.48
11-01-21			646,681.25	646,681.25	471,168.21
05-01-22	1,870,000	3.000%	646,681.25	2,516,681.25	1,802,715.95
11-01-22			618,631.25	618,631.25	435,656.62
05-01-23	1,925,000	5.000%	618,631.25	2,543,631.25	1,761,083.68
11-01-23			570,506.25	570,506.25	388,328.82
05-01-24	2,010,000	5.000%	570,506.25	2,580,506.25	1,726,861.52
11-01-24			520,256.25	520,256.25	342,281.38
05-01-25	2,105,000	4.000%	520,256.25	2,625,256.25	1,698,052.26
11-01-25			478,156.25	478,156.25	304,062.29
05-01-26	2,180,000	4.000%	478,156.25	2,658,156.25	1,661,830.07
11-01-26			434,556.25	434,556.25	267,094.83
05-01-27	2,260,000	4.250%	434,556.25	2,694,556.25	1,628,246.36
11-01-27			386,531.25	386,531.25	229,631.18
05-01-28	2,350,000	4.375%	386,531.25	2,736,531.25	1,598,306.36
11-01-28			335,125.00	335,125.00	192,433.12
05-01-29	2,445,000	5.000%	335,125.00	2,780,125.00	1,569,461.60
11-01-29			274,000.00	274,000.00	152,072.37
05-01-30	2,555,000	5.000%	274,000.00	2,829,000.00	1,543,640.17
11-01-30			210,125.00	210,125.00	112,720.84

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

CALCULATION OF THE TRUE INTEREST COST YIELD

	$42,615,000 issue dated July 10, 2012				
Date	Principal	Interest rate	Interest	Total debt service	Present value on July 10, 2012 using a yield of 3.430758%
05-01-31	2,675,000	5.000%	210,125.00	2,885,125.00	1,521,614.07
11-01-31			143,250.00	143,250.00	74,275.89
05-01-32	2,800,000	5.000%	143,250.00	2,943,250.00	1,500,354.16
11-01-32			73,250.00	73,250.00	36,710.28
05-01-33	2,930,000	5.000%	73,250.00	3,003,250.00	1,479,738.17
	$42,615,000		$23,614,195.21	$66,229,195.21	$47,107,495.10

The present value of the future payments is equal to:	
Principal amount of the Bonds	$42,615,000.00
Net original issue premium	4,806,597.10
Costs of issuance	(87,334.50)
Underwriter's discount	(226,767.50)
	$47,107,495.10

The sum of the present values of the debt service payments of the Bonds on July 10, 2012, using a yield of 3.430758%, is equal to the issue price of the Bonds adjusted for the Underwriter's discount and the costs of issuance.

(2) Actual principal amounts and interest rates are shown on Exhibit C-1.

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

NET PRESENT VALUE SAVINGS

Date	Total debt service to maturity on the Refunded Bonds (Exhibit B-2)	Total debt service on the Bonds (Exhibit C)	Difference	Present value on July 10, 2012 using a yield of 3.430758%
11-01-12	$1,067,875.00	$577,670.21	$490,204.79	$485,090.16
05-01-13	2,312,875.00	2,631,762.50	(318,887.50)	(310,238.57)
11-01-13	1,036,750.00	902,862.50	133,887.50	128,059.47
05-01-14	2,336,750.00	2,302,862.50	33,887.50	31,865.78
11-01-14	1,004,250.00	874,862.50	129,387.50	119,616.41
05-01-15	2,364,250.00	2,329,862.50	34,387.50	31,254.49
11-01-15	970,250.00	845,762.50	124,487.50	111,237.42
05-01-16	2,395,250.00	2,355,762.50	39,487.50	34,689.51
11-01-16	934,625.00	815,562.50	119,062.50	102,831.68
05-01-17	2,424,625.00	2,380,562.50	44,062.50	37,414.03
11-01-17	897,375.00	784,262.50	113,112.50	94,425.50
05-01-18	2,457,375.00	2,404,262.50	53,112.50	43,590.19
11-01-18	858,375.00	743,762.50	114,612.50	92,477.79
05-01-19	2,493,375.00	2,438,762.50	54,612.50	43,322.24
11-01-19	817,500.00	717,681.25	99,818.75	77,847.44
05-01-20	2,527,500.00	2,462,681.25	64,818.75	49,698.84
11-01-20	774,750.00	674,056.25	100,693.75	75,903.44
05-01-21	2,564,750.00	2,499,056.25	65,693.75	48,685.14
11-01-21	730,000.00	646,681.25	83,318.75	60,705.56
05-01-22	2,600,000.00	2,516,681.25	83,318.75	59,681.79
11-01-22	683,250.00	618,631.25	64,618.75	45,506.25
05-01-23	2,643,250.00	2,543,631.25	99,618.75	68,971.06
11-01-23	634,250.00	570,506.25	63,743.75	43,388.72
05-01-24	2,684,250.00	2,580,506.25	103,743.75	69,424.78
11-01-24	583,000.00	520,256.25	62,743.75	41,279.69
05-01-25	2,728,000.00	2,625,256.25	102,743.75	66,456.09
11-01-25	529,375.00	478,156.25	51,218.75	32,570.30
05-01-26	2,774,375.00	2,658,156.25	116,218.75	72,657.81
11-01-26	473,250.00	434,556.25	38,693.75	23,782.65
05-01-27	2,823,250.00	2,694,556.25	128,693.75	77,766.10
11-01-27	414,500.00	386,531.25	27,968.75	16,615.72
05-01-28	2,874,500.00	2,736,531.25	137,968.75	80,582.43

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

NET PRESENT VALUE SAVINGS

Date	Total debt service to maturity on the Refunded Bonds (Exhibit B-2)	Total debt service on the Bonds (Exhibit C)	Difference	Present value on July 10, 2012 using a yield of 3.430758%
11-01-28	353,000.00	335,125.00	17,875.00	10,264.06
05-01-29	2,928,000.00	2,780,125.00	147,875.00	83,479.75
11-01-29	288,625.00	274,000.00	14,625.00	8,117.00
05-01-30	2,978,625.00	2,829,000.00	149,625.00	81,642.69
11-01-30	221,375.00	210,125.00	11,250.00	6,035.02
05-01-31	3,041,375.00	2,885,125.00	156,250.00	82,406.20
11-01-31	150,875.00	143,250.00	7,625.00	3,953.60
05-01-32	3,100,875.00	2,943,250.00	157,625.00	80,351.08
11-01-32	77,125.00	73,250.00	3,875.00	1,942.01
05-01-33	3,162,125.00	3,003,250.00	158,875.00	78,279.66
	$69,715,750.00	$66,229,195.21	$3,486,554.79	$2,493,630.98

Net present value savings $2,493,630.98

APPENDIX I

Applicable schedules provided by Piper Jaffray & Co.

SOURCES AND USES OF FUNDS

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

Dated Date	07/10/2012
Delivery Date	07/10/2012

Sources:	
Bond Proceeds:	
Par Amount	42,615,000.00
Net Premium	4,806,597.10
	47,421,597.10

Uses:	
Refunding Escrow Deposits:	
Open Market Purchases	47,107,495.10
Cost of Issuance:	
Standard & Poor's Rating	21,000.00
Official Statement Printing	2,000.00
Verification Agent	3,500.00
Registrar	650.00
Bond Counsel	25,000.00
Underwriter's Counsel	30,000.00
Paying Agent / Trustee	2,400.00
CUSIP Assignment	500.00
Miscellaneous	2,284.50
	87,334.50
Delivery Date Expenses:	
Underwriter's Discount	226,767.50
	47,421,597.10

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.
Estimated Cost of Issuance.

ESCROW SUFFICIENCY

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

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
10/31/2012		1,071,309.38	1,071,309.38	1,071,309.38
11/01/2012	1,067,875.00		(1,067,875.00)	3,434.38
04/30/2013		2,317,077.50	2,317,077.50	2,320,511.88
05/01/2013	2,312,875.00		(2,312,875.00)	7,636.88
10/31/2013		1,039,127.50	1,039,127.50	1,046,764.38
11/01/2013	1,036,750.00		(1,036,750.00)	10,014.38
04/30/2014		42,898,437.50	42,898,437.50	42,908,451.88
05/01/2014	42,908,450.00		(42,908,450.00)	1.88
	47,325,950.00	47,325,951.88	1.88	

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

ESCROW CASH FLOW

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

Date	Principal	Interest	Net Escrow Receipts	Present Value to 07/10/2012 @ 0.2704878%
10/31/2012	657,000.00	414,309.38	1,071,309.38	1,070,416.88
04/30/2013	1,904,000.00	413,077.50	2,317,077.50	2,312,037.65
10/31/2013	632,000.00	407,127.50	1,039,127.50	1,035,459.13
04/30/2014	42,500,000.00	398,437.50	42,898,437.50	42,689,581.44
	45,693,000.00	1,632,951.88	47,325,951.88	47,107,495.10

Escrow Cost Summary

Purchase date	07/10/2012
Purchase cost of securities	47,107,495.10
Target for yield calculation	47,107,495.10

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

ESCROW COST

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

Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
TNote	10/31/2012	657,000	0.375%	0.083344%	100.089516	657,588.12	475.34	658,063.46
TNote	04/30/2013	1,904,000	0.625%	0.205980%	100.337684	1,910,429.50	2,295.92	1,912,725.42
TNote	10/31/2013	632,000	2.750%	0.260534%	103.246038	652,514.96	3,353.21	655,868.17
TNote	04/30/2014	42,500,000	1.875%	0.272126%	102.887278	43,727,093.15	153,744.90	43,880,838.05
		45,693,000				46,947,625.73	159,869.37	47,107,495.10

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
07/10/2012	47,107,495.10		47,107,495.10	0.270488%
	47,107,495.10	0.00	47,107,495.10	

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

ESCROW REQUIREMENTS

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

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
11/01/2012		1,067,875.00			1,067,875.00
05/01/2013	1,245,000.00	1,067,875.00			2,312,875.00
11/01/2013		1,036,750.00			1,036,750.00
05/01/2014	1,300,000.00	1,036,750.00	40,170,000.00	401,700.00	42,908,450.00
	2,545,000.00	4,209,250.00	40,170,000.00	401,700.00	47,325,950.00

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

SUMMARY OF BONDS REFUNDED

The Board of Education of the
County of Monongalia (West Virginia)
Public School Bonds, Series 2004 2012

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2004:					
SERIAL	05/01/2013	5.000%	1,245,000.00		
	05/01/2014	5.000%	1,300,000.00		
	05/01/2015	5.000%	1,360,000.00	05/01/2014	101.000
	05/01/2016	5.000%	1,425,000.00	05/01/2014	101.000
	05/01/2017	5.000%	1,490,000.00	05/01/2014	101.000
	05/01/2018	5.000%	1,560,000.00	05/01/2014	101.000
	05/01/2019	5.000%	1,635,000.00	05/01/2014	101.000
	05/01/2020	5.000%	1,710,000.00	05/01/2014	101.000
	05/01/2021	5.000%	1,790,000.00	05/01/2014	101.000
	05/01/2022	5.000%	1,870,000.00	05/01/2014	101.000
	05/01/2023	5.000%	1,960,000.00	05/01/2014	101.000
	05/01/2024	5.000%	2,050,000.00	05/01/2014	101.000
	05/01/2025	5.000%	2,145,000.00	05/01/2014	101.000
	05/01/2026	5.000%	2,245,000.00	05/01/2014	101.000
	05/01/2027	5.000%	2,350,000.00	05/01/2014	101.000
TERM33	05/01/2033	5.000%	16,580,000.00	05/01/2014	101.000
			42,715,000.00		

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

BOND DEBT SERVICE

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2012			577,670.21	577,670.21	
05/01/2013	1,695,000	4.000%	936,762.50	2,631,762.50	3,209,432.71
11/01/2013			902,862.50	902,862.50	
05/01/2014	1,400,000	4.000%	902,862.50	2,302,862.50	3,205,725.00
11/01/2014			874,862.50	874,862.50	
05/01/2015	1,455,000	4.000%	874,862.50	2,329,862.50	3,204,725.00
11/01/2015			845,762.50	845,762.50	
05/01/2016	1,510,000	4.000%	845,762.50	2,355,762.50	3,201,525.00
11/01/2016			815,562.50	815,562.50	
05/01/2017	1,565,000	4.000%	815,562.50	2,380,562.50	3,196,125.00
11/01/2017			784,262.50	784,262.50	
05/01/2018	1,620,000	5.000%	784,262.50	2,404,262.50	3,188,525.00
11/01/2018			743,762.50	743,762.50	
05/01/2019	1,695,000	** %	743,762.50	2,438,762.50	3,182,525.00
11/01/2019			717,681.25	717,681.25	
05/01/2020	1,745,000	5.000%	717,681.25	2,462,681.25	3,180,362.50
11/01/2020			674,056.25	674,056.25	
05/01/2021	1,825,000	3.000%	674,056.25	2,499,056.25	3,173,112.50
11/01/2021			646,681.25	646,681.25	
05/01/2022	1,870,000	3.000%	646,681.25	2,516,681.25	3,163,362.50
11/01/2022			618,631.25	618,631.25	
05/01/2023	1,925,000	5.000%	618,631.25	2,543,631.25	3,162,262.50
11/01/2023			570,506.25	570,506.25	
05/01/2024	2,010,000	5.000%	570,506.25	2,580,506.25	3,151,012.50
11/01/2024			520,256.25	520,256.25	
05/01/2025	2,105,000	4.000%	520,256.25	2,625,256.25	3,145,512.50
11/01/2025			478,156.25	478,156.25	
05/01/2026	2,180,000	4.000%	478,156.25	2,658,156.25	3,136,312.50
11/01/2026			434,556.25	434,556.25	
05/01/2027	2,260,000	4.250%	434,556.25	2,694,556.25	3,129,112.50
11/01/2027			386,531.25	386,531.25	
05/01/2028	2,350,000	4.375%	386,531.25	2,736,531.25	3,123,062.50
11/01/2028			335,125.00	335,125.00	
05/01/2029	2,445,000	5.000%	335,125.00	2,780,125.00	3,115,250.00
11/01/2029			274,000.00	274,000.00	
05/01/2030	2,555,000	5.000%	274,000.00	2,829,000.00	3,103,000.00
11/01/2030			210,125.00	210,125.00	
05/01/2031	2,675,000	5.000%	210,125.00	2,885,125.00	3,095,250.00
11/01/2031			143,250.00	143,250.00	
05/01/2032	2,800,000	5.000%	143,250.00	2,943,250.00	3,086,500.00
11/01/2032			73,250.00	73,250.00	
05/01/2033	2,930,000	5.000%	73,250.00	3,003,250.00	3,076,500.00
	42,615,000		23,614,195.21	66,229,195.21	66,229,195.21

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

BOND SUMMARY STATISTICS

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

Dated Date	07/10/2012
Delivery Date	07/10/2012
Last Maturity	05/01/2033
Arbitrage Yield	2.881991%
True Interest Cost (TIC)	3.410713%
Net Interest Cost (NIC)	3.690138%
All-In TIC	3.430758%
Average Coupon	4.578017%
Average Life (years)	12.104
Duration of Issue (years)	9.402
Par Amount	42,615,000.00
Bond Proceeds	47,421,597.10
Total Interest	23,614,195.21
Net Interest	19,034,365.61
Total Debt Service	66,229,195.21
Maximum Annual Debt Service	3,209,432.71
Average Annual Debt Service	3,182,820.75
Underwriter's Fees (per $1000)	
Average Takedown	4.500000
Management Fee	0.703977
Other Fee	0.117330
Total Underwriter's Discount	5.321307
Bid Price	110.746990

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	42,615,000.00	111.279	4.578%	12.104
	42,615,000.00			12.104

	TIC	All-In TIC	Arbitrage Yield
Par Value	42,615,000.00	42,615,000.00	42,615,000.00
+ Accrued Interest			
+ Premium (Discount)	4,806,597.10	4,806,597.10	4,806,597.10
- Underwriter's Discount	(226,767.50)	(226,767.50)	
- Cost of Issuance Expense		(87,334.50)	
- Other Amounts			
Target Value	47,194,829.60	47,107,495.10	47,421,597.10
Target Date	07/10/2012	07/10/2012	07/10/2012
Yield	3.410713%	3.430758%	2.881991%

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

BOND PRICING

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

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bond:										
	05/01/2013	1,695,000	4.000%	0.430%	102.877					48,765.15
	05/01/2014	1,400,000	4.000%	0.610%	106.086					85,204.00
	05/01/2015	1,455,000	4.000%	0.820%	108.809					128,170.95
	05/01/2016	1,510,000	4.000%	1.000%	111.181					168,833.10
	05/01/2017	1,565,000	4.000%	1.260%	112.743					199,427.95
	05/01/2018	1,620,000	5.000%	1.570%	118.967					307,265.40
	05/01/2019	695,000	1.750%	1.830%	99.489					(3,551.45)
	05/01/2019	1,000,000	4.000%	1.830%	113.829					138,290.00
	05/01/2020	1,745,000	5.000%	2.070%	121.022					366,833.90
	05/01/2021	1,825,000	3.000%	2.270%	105.796					105,777.00
	05/01/2022	1,870,000	3.000%	2.410%	105.124					95,818.80
	05/01/2023	1,925,000	5.000%	2.630%	120.368	C	2.802%	05/01/2022	100.000	392,084.00
	05/01/2024	2,010,000	5.000%	2.820%	118.562	C	3.109%	05/01/2022	100.000	373,096.20
	05/01/2025	2,105,000	4.000%	3.150%	107.120	C	3.313%	05/01/2022	100.000	149,876.00
	05/01/2026	2,180,000	4.000%	3.300%	105.821	C	3.466%	05/01/2022	100.000	126,897.80
	05/01/2027	2,260,000	4.250%	3.360%	107.380	C	3.602%	05/01/2022	100.000	166,788.00
	05/01/2028	2,350,000	4.375%	3.430%	107.810	C	3.717%	05/01/2022	100.000	183,535.00
	05/01/2029	2,445,000	5.000%	3.260%	114.502	C	3.822%	05/01/2022	100.000	354,573.90
	05/01/2030	2,555,000	5.000%	3.330%	113.871	C	3.911%	05/01/2022	100.000	354,404.05
	05/01/2031	2,675,000	5.000%	3.400%	113.245	C	3.992%	05/01/2022	100.000	354,303.75
	05/01/2032	2,800,000	5.000%	3.460%	112.711	C	4.059%	05/01/2022	100.000	355,908.00
	05/01/2033	2,930,000	5.000%	3.530%	112.092	C	4.128%	05/01/2022	100.000	354,295.60
		42,615,000								4,806,597.10

Dated Date	07/10/2012	
Delivery Date	07/10/2012	
First Coupon	11/01/2012	
Par Amount	42,615,000.00	
Premium	4,806,597.10	
Production	47,421,597.10	111.279120%
Underwriter's Discount	(226,767.50)	(0.532131%)
Purchase Price	47,194,829.60	110.746990%
Accrued Interest		
Net Proceeds	47,194,829.60	

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

SAVINGS

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

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/10/2012 @ 3.4307584%
05/01/2013	3,380,750.00	3,209,432.71	171,317.29	174,851.59
05/01/2014	3,373,500.00	3,205,725.00	167,775.00	159,925.25
05/01/2015	3,368,500.00	3,204,725.00	163,775.00	150,870.89
05/01/2016	3,365,500.00	3,201,525.00	163,975.00	145,926.94
05/01/2017	3,359,250.00	3,196,125.00	163,125.00	140,245.71
05/01/2018	3,354,750.00	3,188,525.00	166,225.00	138,015.69
05/01/2019	3,351,750.00	3,182,525.00	169,225.00	135,800.03
05/01/2020	3,345,000.00	3,180,362.50	164,637.50	127,546.28
05/01/2021	3,339,500.00	3,173,112.50	166,387.50	124,588.58
05/01/2022	3,330,000.00	3,163,362.50	166,637.50	120,387.35
05/01/2023	3,326,500.00	3,162,262.50	164,237.50	114,477.31
05/01/2024	3,318,500.00	3,151,012.50	167,487.50	112,813.50
05/01/2025	3,311,000.00	3,145,512.50	165,487.50	107,735.78
05/01/2026	3,303,750.00	3,136,312.50	167,437.50	105,228.11
05/01/2027	3,296,500.00	3,129,112.50	167,387.50	101,548.75
05/01/2028	3,289,000.00	3,123,062.50	165,937.50	97,198.15
05/01/2029	3,281,000.00	3,115,250.00	165,750.00	93,743.80
05/01/2030	3,267,250.00	3,103,000.00	164,250.00	89,759.69
05/01/2031	3,262,750.00	3,095,250.00	167,500.00	88,441.23
05/01/2032	3,251,750.00	3,086,500.00	165,250.00	84,304.69
05/01/2033	3,239,250.00	3,076,500.00	162,750.00	80,221.68
	69,715,750.00	66,229,195.21	3,486,554.79	2,493,630.99

Savings Summary

Dated Date	07/10/2012
Delivery Date	07/10/2012
PV of savings from cash flow	2,493,630.99
Net PV Savings	2,493,630.99

Notes:
FINAL
Based on market conditions as of June 19, 2012.
'AA' rated by Standard & Poor's.

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July 10, 2012

The Board of Education of the
County of Monongalia
200 Elizabeth Street
Charleston, West Virginia 25301

Piper Jaffray & Co.
Charleston, West Virginia

Re: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Ladies & Gentlemen:

We have examined a record of proceedings relating to the issuance by The Board of Education of The County of Monongalia (the "Issuer") of its $42,615,000 in aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Bonds") and served as bond counsel to the Issuer in connection with the issuance of such Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Refunding Act") and a Resolution and Order duly adopted by the Issuer on April 24, 2012 (the "Resolution") and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds are issued in fully registered form, are dated July 10, 2012, upon original issuance, are represented by a single bond for each maturity, numbered R-1 to R-22, inclusive, with interest payable on each May 1 and November 1, commencing November 1, 2012, and principal installments payable each May 1, commencing May 1, 2013, and continuing until the maturity thereof, being May 1, 2033.

The Resolution provides that the issue is for the purposes of providing funds to pay costs necessary to advance refund all of the Issuer's Outstanding Public School Bonds, Series 2004, dated May 1, 2004 (the "Prior Bonds"), originally issued in the aggregate principal amount of $50,000,000, of which $42,715,000 is presently outstanding, and to pay costs of issuance of the

Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Monongalia County School District (the "District") at an election held in the District on October 4, 2003, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated June 19, 2012, by and between the Issuer and the Purchaser (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution, the Bond Purchase Agreement and the Escrow Agreement, dated July 10, 2012, by and between the Issuer and the West Virginia Municipal Bond Commission, as escrow agent (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer contained in the Resolution, the Bond Purchase Agreement, the Escrow Agreement and the Tax and Non-Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and in certain other certificates delivered in connection herewith and the covenants of the Bond Commission contained in the Escrow Agreement, we are of the opinion, under existing law, that:

(1) The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Resolution, enter into the Escrow Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

(2) The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Escrow Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

(3) Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable property within the District, without limitation as to rate or amount.

(4) Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution and the Tax Certificate. The Issuer has covenanted to comply with each such requirements. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 5 below, we express no opinion regarding other tax consequences arising with respect to the Bonds.

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

(6) The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the liens, pledges, rights or remedies with respect to the Bonds, the Resolution, the Escrow Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

Bowles Rice McDavid Graff & Love LLP

Closing Item No. D-2

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July 10, 2012

The Board of Education of the County of
Monongalia
13 South High Street
Morgantown, West Virginia 26501

Piper Jaffray & Co.
405 Capital Street
Charleston, West Virginia 25301

Re: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the issuance and sale by The Board of Education of the County of Monongalia (West Virginia) (the "Board") of its $42,615,000 aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2012 Bonds and the exclusion of interest on the Series 2012 Bonds from gross income of the holders thereof for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other documents and matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings ascribed thereto in the Bond Purchase Agreement (the "Purchase Agreement") dated June 19, 2012, between the Board and Piper Jaffray & Co. (the "Underwriter").

Based upon the foregoing, we are of opinion that:

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

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

(3) The Board has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, executed and delivered by the Board, and the Board has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the sale of the Series 2012 Bonds.

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

(5) The Series 2012 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

Bowles Rice McDavid Graff & Love LLP

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July 10, 2012

The Board of Education of the County of
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13 South High Street
Morgantown, West Virginia 26501

Piper Jaffray & Co.
405 Capital Street
Charleston, West Virginia 25301

Re: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as special counsel to The Board of Education of the County of Monongalia, West Virginia (the "Board") in connection with the sale of the above-referenced bonds (the "Series 2012 Bond s"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of June 19, 2012 (the "Purchase Agreement"), between Piper Jaffray & Co. (the "Underwriter") and the Board. Any capitalized terms used herein and not defined shall have the meaning ascribed thereto in the Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Series 2012 Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Resolution of the Board, the Escrow Agreement, the Purchase Agreement, the Preliminary Official Statement dated June 13, 2012, and the Final Official Statement dated June 19, 2012, with respect to the issuance and offering of the Series 2012 Bonds (collectively, the "Official Statement") and a closing certificate of the Board. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Board is a validly existing statutory corporation charged with the supervision and control of the Monongalia County School District, which is a validly existing political subdivision of the State of West Virginia, and is authorized by the Refunding Act to issue and sell the Series 2012 Bonds. The Board is authorized by the laws of the State of West Virginia,

as provided by the Refunding Act, to enter into and perform its obligations under the Resolution, the Escrow Agreement and the Purchase Agreement.

2. The Board has full power and authority to consummate all transactions contemplated by the Series 2012 Bonds, the Purchase Agreement, the Escrow Agreement and any other agreements relating thereto, to which the Board is a party.

3. The Board has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Escrow Agreement and the Purchase Agreement; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the Board and the issuance and delivery of the Series 2012 Bonds upon the terms set forth in the Resolution; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

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

5. The Resolution authorizing issuance of the Series 2012 Bonds has been duly adopted and entered at meetings of the Board which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of such adoption.

6. The execution and delivery of the Escrow Agreement and the Purchase Agreement by the Board and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes organizing and governing the Board or, to the best of our knowledge after diligent inquiry and reasonable review of the Board's records, any agreement or other instrument to which the Board is a party or by which it or its properties are bound.

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

8. The Board is not in violation of any provision of, or in default under, West Virginia statutes organizing and governing the Board.

9. There are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Board is a party or of which any property of the Board is subject, except as described in the Official Statement, which, if determined adversely to the Board, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Series 2012 Bonds, the Escrow Agreement or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Board to comply with its obligations under the Escrow Agreement or the Purchase Agreement, or (iii) materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the Board.

10. Based upon our experience as counsel to the Board and on our review of the Official Statement, and after diligent inquiry, but without having undertaken to verify the same through independent investigation, the statements and information contained in the Official Statement under the captions or subcaptions "Monongalia County School District," "Certain Financial Information," "Litigation in the State Concerning the School Financing System," "Litigation," "Legal Matters," "Verification Agent," "Continuing Disclosure," "Appendix A" and "Appendix E" do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, it being understood, that in rendering such opinion we express no opinion with respect to statistical data, financial statements, operating statistics and other financial data in the Official Statement, including Appendix A thereto.

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

We hereby consent to the references made to us in the Official Statement.

Very truly yours,

Bowles Rice McDavid Graff & Love LLP

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Writer's Contact Information

July 10, 2012

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

Re: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co. (collectively, the "Underwriter"), in connection with the issuance and sale by the Board of Education of the County of Monongalia (West Virginia) (the "Board") of its Public School Refunding Bonds, Series 2012, in the aggregate principal amount of $42,615,000 (collectively, the "Series 2012 Bonds").

In connection with rendering this opinion, we have examined the Official Statement dated June 19, 2012, the Bond Purchase Agreement, dated June 19, 2012, by and between the Issuer and the Underwriter (the "Purchase Agreement"), and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

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

It is also our opinion that the Continuing Disclosure Agreement, which provides for an undertaking for the benefit of the holders, including beneficial holders, of the Series 2012 Bonds to provide certain annual financial information and event notices to repositories at the times and in the manner required by the Rule, satisfies as to form in all material respects the requirements of subparagraph (b)(5) of the Rule in effect as of the date hereof and applicable to Continuing Disclosure Agreements.

In addition, we are of the opinion that the Series 2012 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but solely on the basis of our conferences with representatives of the Board, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom all financial, statistical and operating data included in the Official Statement, including the entirety of Appendix A thereto and all information concerning The Depository Trust Company and the book-entry only system for the Series 2012 Bonds, on which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2012 Bonds.

Respectfully submitted,

Steptoe & Johnson PLLC

STEPTOE & JOHNSON PLLC

CERTIFICATION

I, Dr. Frank Devono, Superintendent and Secretary of the Board of Education of the County of Monongalia, West Virginia, do hereby certify that the attached is a true and accurate copy of the Minutes of the Board meeting held on April 24, 2012, and a Resolution and Order of The Board of Education of the County of Monongalia Directing Issuance of the Bonds, adopted at such meeting.

Dated this 10th day of July, 2012.

Dr. Frank Devono, Superintendent and Secretary of Monongalia County Board of Education [West Virginia]

MONONGALIA COUNTY SCHOOLS
MORGANTOWN, WV 26501

MINUTES

The Board of Education of the County of Monongalia met in regular session on Tuesday, April 24, 2012 at 7:00 P.M. at the Administrative Office Board Room, 13 S. High Street Morgantown, West Virginia, with the following members present:

Board Members Present:

Dr. Barbara Parson, President
Craig Cerra
Dr. Clarence Harvey, Jr.
Michael L. Kelly

Board Members Absent:

Nancy A. Walker

Administrative Staff Present:

Dr. Frank D. Devono, Superintendent
Donna Talerico, Assistant Superintendent
Becky Mattern, Assistant Superintendent
Dr. Louis Hlad, Director of Personnel
Terry Hawkins, Chief Financial Officer
Irv Schuetzner, Director of Transportation
Dan McGinnis, Director of Human Resources
Rick Williams, Assistant Manager of Human Resources

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Parsons called the regular meeting to order at 7:02 P.M., and led those present in the Pledge of Allegiance.

SPECIAL RECOGNITIONS

Michael Jones Mountaineer Middle, Avery Lyons Mountaineer Middle, Emily Lederman South Middle, Sadaf Sarwari Suncrest Middle, Roark Sizemore Suncrest Middle and Mathew Peries Suncrest Middle received Certificates of Recognition as West Virginia Golden Horseshoe Champions.

REPORTS/DISCUSSION/FOLLOW-UP ACTION

Child Nutrition Review

Superintendent Devono complimented Karen Ghiardi and her staff at University High, Cheat Lake Elementary and Woodburn for a superb job on the follow up Child Nutrition Review. The Office of Child Nutrition was impressed with the selection of items on the salad bars available from elementary thru high school and the knowledge of the serving staff. Karen Ghiardi explained the "at risk supper program" that is currently available at Mylan Park and Mountainview Elementary. More than 50 % of the students qualify for this Federally Funded Program. During the month of March 3,000 dinners were prepared. This summer meals will be prepared by our staff with federal reimbursement. Next year University and Clay Battelle High Schools will be implementing the I-Metric meal scan program.

WVBOE Single Audit Review

Chief Financial Officer Terry Hawkins reported that there were no findings on the annual audit.

Pierpont Technical/Dale Bradley/Affiliation/Interagency Agreement

Upon the recommendation of Superintendent Devono to accept the Pierpont Technical/Dale Bradley/Affiliation/Interagency Agreement, Board Member Kelly made the motioned to accept the Pierpont Affiliation/Interagency Agreement. Board Member Cerra seconded the motion. The motion carried with a 4-0 vote.

UHS Renewable Energy/Solar Grant

Becky Mattern outlined the Monongalia County Schools application for a renewable energy demonstration project on University High School property which sits atop reclaimed mine lands. The application proposes the installation of a solar panel system, approximately 6 kw in capacity. The county intends to install an awning style system on the north facing upper level of the schools gym exterior wall and will be clearly visible from the access road to the rear parking facility. Monongalia County Schools will be working with the West Virginia Division of Energy on this project. This project will provide an opportunity for the students to experience hands on training through integrated science, technology and math. Monongalia County Schools will only be responsible for $5,000.00 all additional funds will be in-kind from varies entities. Upon the recommendation of Superintendent Devono Board Member Harvey motioned to accept the UHS Renewable Energy/Solar Grant. Board Member Kelly seconded the motion. The motion carried with a 4-0 vote.

Memorandum of Understanding-Clear Mountain Bank

Upon the recommendation of Superintendent Devono, Board Member Harvey made a motion to accept the Memorandum of Understanding/Clear Mountain Bank. Board Member Cerra seconded the motion. The motion carried with a 4-0 vote.

Mountaineer Middle Gym Floor/Alpha Associates Continuing Services

Superintendent Devono provided the Board with the continuing services agreement with Alpha Associates to replace the wood gym floor at Mountaineer Middle at an approximate cost of $186,000.00. The floor was damaged during renovation from a broken pipe. The Board's insurance will cover between $35,000.00 and $40,000.00. This estimate is a mid-range cost for wood gym floors. Upon the recommendation of Superintendent Devono, Board Member Kelly motioned to accept the Mountaineer Middle Gym Floor/Alpha Associates Continuing Services. The motion was seconded by Board Member Harvey. The motion carried with a 4-0 vote.

Rescind Bond Refunding Resolution Raymond James 3/31/12

Upon the recommendation of Superintendent Devono Board Member Kelly motioned to rescind the Bond Refunding Resolution with Raymond James that was approved on March 31, 2012. The motion was seconded by Board Member Cerra. The motion carried with a 4-0 vote.

Marie Prezioso provided the Board with the explanation of the rescinding of the Raymond James bond refunding due to the fact that the company has moved out of the state. The new refunding program with Piper Jaffray has been structured in the same manner as the previous bond refunding. The refinancing will not take place before May 1, 2014. The rates will be lower than at the time the original bond was written. Upon the recommendation of Superintendent Devono to accept the Piper Jaffary Bond Refunding Board Member Harvey motioned to accept Piper Jaffery. The motion was seconded by Board Member Cerra. The motion carried with a 4-0 vote.

2012-13 School Calendar

Dr. Hlad presented the Board with the proposed 2012-13 calendar. The calendar committee was made up of 12 members, ranging from school staff, administrative staff and parents. The committee did an outstanding job at looking at all of the state requirements. Two visions of the calendar were provided to the school staff. The staff overwhelming voted on option "B". Calendar number two is very similar to the West Virginia University 2012-13 calendar. Upon the recommendation of Superintendent Devono Board Member Kelly motioned to accept calendar option "B". The motion was seconded by Board Member Cerra. The motion carried with a 4-0 vote.

CONSENT AGENDA

Upon the recommendation of Superintendent Devono to accept the consent agenda Board Member Harvey made the motioned to accept the consent agenda. Board Member Kelly seconded the motion. The motion carried with a 4-0 vote.

Items approved as follows:

AGENDA ITEM:

April 24, 2012

INDIVIDUAL ITEM EXPENDITURES EXCEEDING $3,000.00:

1. Approval of reimbursement to UHS for bus trips for winter athletic trips. 20,684.95

VENDOR: University High School
FUNDING SOURCE: Athletic Levy

BUDGETARY MODIFICATIONS
SUPPLEMENTS AND TRANSFERS
APRIL 24, 2012

AGENDA ITEM _____

BUDGETARY MODIFICATIONS

SUPPLEMENTS AND TRANSFERS

APRIL 24, 2012

I. Supplement of $100,206.69 within the Special Projects Fund, which reflects program/account modifications.

II. Transfer of $6,702.73 within the Special Projects Fund, which reflects program/account modifications.

III. Supplement of $218.85 within the General Funds, which reflects program/account modifications.

FUND SERIES	PROGRAM
11215	Comm. Part. – MHS Ath.
43130	Spec Ed Discre-NDSP-SD
43133	IDEA Part B Discre.
43230	IDEA Part B Discre.
43231	IDEA Part B Discre.
72015	TIS
88020	Summer Foods 2010
88120	CN Summer FY 2011
88220	CN Summer FY 2012

PAYMENTS OF SALARIES & ACCOUNTS PAYABLE

Payment of Salaries for 4/24/12 Board Meeting:

SALARY EXPENDITURES FOR APRIL 13, 2012 PAY PERIOD

County	$ 3,229,160.79
Excess Levy	$ 127,575.80
Projects	$ 647,233.23
Bond	$ -
Capital Projects	$ -
Permanent Improvement	$ -
TOTAL	$ 4,003,969.82

ACCOUNTS PAYABLE

The accounts payable was presented to the Board and approved.

Student Trips

Westwood Middle School (15 students) to attend TAG (The Academically Gifted) Future Problem Solving International Conference from 6/7/12-6/10/12 in Bloomington, Indiana. Students will not miss any days of school. Students, teachers and chaperones will travel by private car and students will have permission slips with emergency information available. There will not be a cost to the Board. NOTE: (Trip was requested on 4/17/12).

Student Transfers

The Board approved one student transfer from Preston County to Monongalia County.
The Board approved one student transfer from Marion County to Monongalia County.
The Board approved one student transfer from Monongalia County to Wetzel County.

Minutes

The Board approved the minutes from the special meeting on March 26, 2012.
The Board approved the minutes from the regular meeting on March 27, 2012.
The Board approved the minutes from the regular meeting on April 10, 2012.

AWARDING OF CONTRACT

Mountaineer Middle PTO/Auditorium Curtain

Upon the recommendation of Superintendent Devono Board Member Harvey motioned to accept the low bid from Integrated Theater Systems, Ltd. Board Member Cerra seconded the motion. The motion passed with a 4-0 vote.

PERSONNEL MATTERS

Upon the recommendation of Superintendent Devono Board Member Harvey motioned to accept the personnel list and addendum, with a second by Board Member Cerra. The motion passed with a 4-0 vote.

MONONGALIA COUNTY SCHOOLS
HUMAN RESOURCES DEPARTMENT
AGENDA ITEM: PERSONNEL LIST
April 24, 2012
PROFESSIONAL PERSONNEL

PROFESSIONAL APPOINTMENTS:

Jones, Justin, Teacher, Art (200 Days **Half-time**), Morgantown High School, effective 8/13/12 Job # 2012-199

Kielkowski, Patricia, LPN Instructor (240 Days Full-time) 7.75 hours per day, Monongalia Technical Education Center, effective 7/2/12 Job # 2012-174 **State Grant Funds**

Palumbo, Kristina, Teacher, Gifted, ***Long-term substitute only*** Full-time beginning 4/18/12 and terminating 6/5/12), Itinerant, Job # 2012-182

Rhodes, Carlene, Teacher, Special Education, Multi-Cat BD/LD/MI (200 Days Full-time), Westwood Middle School, effective 8/13/12 Job # 2012-177 **Fed Funds**

Underdonk, Bethany, School Counselor (210 Days Full-time), University High School, effective 8/6/12 Job # 2012-203

Yuhase, Stacey, Teacher, Biology and Physical Science 9-12 (200 Days Full-time), Morgantown High School, effective 8/13/12 Job # 2012-211

REMOVE FROM PROFESSIONAL PROBATIONARY NON-REHIRE AND REHIRE FOR THE 2012-2013 SCHOOL YEAR:

Boukhemis, Josie, remove from Professional Probationary Non-rehire and rehire as teacher, Special Education LD/BD/MI (200 Days Full-time) at Itinerant (Homebase-Brookhaven Elementary School for the 2012-2013 school year), effective 8/13/12

Watson, Rachel, remove from Professional Probationary Non-Rehire and rehire as School Counselor (210 Days Full-time), University High School, effective 8/6/12

PROFESSIONAL SUBSTITUTES:

Eckert, Sean

Tallman, Nathan

PROFESSIONAL EXTRA-CURRICULAR RESIGNATION:

Lukotch, Colleen, resigns her extra-curricular assignment as MCS Wellness Site Facilitator at Cheat Lake Elementary School, effective 5/31/12

PROFESSIONAL RETIREMENT:

Holdsworth, Hubert, Assistant Principal (220 Days Full-time), Westwood Middle School, retires effective 6/30/12

Wolfe, Kenneth, Principal (261 Days Full-time), Suncrest Primary School, retires effective 6/30/12

PROFESSIONAL MUTUAL AGREEMENT:

Gibson, Gretchen, mutually agrees to a change in contract from Teacher, Mathematics (200 Days Full-time) at Morgantown High School, to Teacher, Mathematics (200 Days **Half-time**) for the 2012-2013 school year, effective 8/13/12. Ms. Gibson will return to Teacher, Mathematics (200 Days Full-time), at Morgantown High School for the 2013-2014 school year.

SPECIAL EDUCATION OBSERVATIONS:

Hahn, Renee	Cheat Lake Elementary School	Cindy Bucy, Supervising Teacher

SERVICE PERSONNEL

SERVICE APPOINTMENTS:

Benson, Joni, Cafeteria Manager, **Permanent Substitute** (Full-time beginning 4/30/12 and ending 6/6/12), 6:00 a.m. – 2:00 p.m., Monday through Friday, North Elementary School, Job # 2012-207

Brosky, John, Custodian III (261 Days Full-time), Morgantown High School, effective 4/30/12, 5 a.m. – 1 a.m. Mon – Fri. This custodian will work on the athletic field and associated areas, Job # 2012-212

Coombs, Lana Solomon, Aide/LPN (200 Days Full-time), 8:30 a.m. – 3:30 p.m., Itinerant (Homebase-North Elementary School, effective 8/13/12 Job # 2012-200

Frost, Ryan, Bus Operator #125 (Half-time) Approx. 2:00 p.m. - 5:00 p.m., Transportation, effective date 4/30/2012 – 6/6/2012 Job # 2012-210

Griffin, Tonia, Cook III (200 Days **Half-time**), 10:00 a.m. – 1:30 p.m., Suncrest Primary School, effective 8/13/12 Job # 2012-205

Lang, Jr., Fred, Custodian (215 Days **Half-time**) 3:00 p.m. – 6:30 p.m., Monday through Friday, Morgantown High School, effective 4/30/12 Job # 2012-206

Lenhart, Jason, Bus Operator # 267 (200 Days Full-time), approximately 6:00 a.m. – 9:00 a.m. and 1:30 p.m. – 4:30 pm, Transportation, effective 8/13/12 Job # 2012-204

Smith, Michelle, Paraprofessional (200 Days Full-time) 8:30 a.m. – 3:30 p.m., Cheat Lake Elementary, effective date 8/13/2012 Job #2012-213

Street, Patrick, Bus Operator # 200 (Full-time), Approx. 6:00 a.m. - 9:00 a.m. and 1:30 p.m. – 4:30 p.m., Transportation, effective date 4/30/2012 – 6/6/2012 Job #2012-209

REMOVE FROM SERVICE PROBATIONARY NON-REHIRE AND REHIRE FOR THE 2011-2012 SCHOOL YEAR:

Areford, Tammy, remove from Service Probationary Non-Rehire and rehire as Paraprofessional (200 Days Full-time), 8:30 a.m. - 3:00 p.m., Mountainview Elementary, effective 8/13/2012 Job # 2012-214

SERVICE RETIREMENT:

Croston, Paul, Custodian IV (261 Days Full-time), Morgantown High School, retires effective 6/30/12

TERMINATION OF SERVICE SUBSTITUTE CONTRACT:

Abersold, Rhondell (Aide/LPN)

MONONGALIA COUNTY SCHOOLS

HUMAN RESOURCES DEPARTMENT

AGENDA ITEM: PERSONNEL LIST ADDENDUM

APRIL 24, 2012

PROFESSIONAL PERSONNEL

PROFESSIONAL APPOINTMENTS:

O'Hara, Kirsten, Teacher, 6th Grade and Mathematics (200 Days Full-time), South Middle School, effective 8/13/12 Job # 2012-229

Tallman, Nate, Teacher, Special Education, Multi-Cat, BD/LD/MI (200 Days Full-time), Clay Battelle High School, effective 8/13/12 Job # 2012-157

PROFESSIONAL EXTRA-CURRICULAR RESIGNATION:

Tennant, Donna, resigns her extra-curricular assignment as SAT Coordinator 6th Grade at South Middle School, effective 6/6/12

PROFESSIONAL LEAVE OF ABSENCE:

Hinerman, Leslie, Social Worker (230 Days Full-time), Dorsey, requests a Maternity Leave of Absence beginning approximately 6/16/12 through 6/16/13

Honeycutt, Holly, Teacher, Special Education (200 Days Full-time), Brookhaven Elementary School, requests a Family Medical Leave of Absence beginning 5/2/12 through 5/9/12. Ms. Honeycutt will use her remaining 2.5 sick leave/personal days.

PROFESSIONAL RESIGNATION:

Waldorf, Abby, Teacher, English (200 Days Full-time) Westwood Middle School, resigns effective 6/6/12

SERVICE PERSONNEL

REMOVE FROM SERVICE TRANSFER:

Quickle, Penny, remove from Service Transfer and return to Aide, Special Education (200 Days Full-time), Itinerant (Transportation-Homebase-Blacksville), effective 8/13/12

SERVICE POSITIONS CONVERTED TO COUNTY FUNDS:

Aide, Autism Mentor (200 Days Full-time), Itinerant (Homebase-University High School), effective 8/13/12 + 1.0

Aide (200 Days Full-time), Itinerant (Transportation – Homebase-Blacksville), effective 8/13/12 + 1.0

SERVICE LEAVE OF ABSENCE:

Joseph, Judy, Cafeteria Manager (200 Days Full-time), Brookhaven Elementary School, requests a Medical Leave of Absence, effective 4/24/12 through 1/1/13

ADJOURNMENT

With business before the Board complete, President Parsons adjourned the meeting at 8:27 p.m.

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

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 13, 2012

NEW ISSUE
BOOK-ENTRY ONLY

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

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

$44,110,000*
The Board of Education of the County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

Dated: Date of Delivery

Due: May 1, as shown below

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

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

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

Interest on the Bonds will be payable November 1, 2012 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to optional redemption and mandatory sinking fund redemption as described in the section entitled "**THE BONDS**- Redemption" herein.

The Bonds shall be issued in the principal amounts and have the maturities, interest rates, yields and CUSIP numbers as indicated on the inside cover hereof.

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Morgantown, West Virginia, Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Steptoe & Johnson PLLC, Charleston, West Virginia, as Counsel to the Underwriter. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about July 10, 2012.

PiperJaffray®

Dated: June ____, 2012

* Preliminary, subject to change.

SERIES 2012 BONDS

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS**

Maturing (May 1)	Principal Amount* ($)	Interest Rate (%)	Yield (%)	CUSIP Base #:
2013	$1,745,000			
2014	1,425,000			
2015	1,465,000			
2016	1,520,000			
2017	1,575,000			
2018	1,630,000			
2019	1,710,000			
2020	1,790,000			
2021	1,875,000			
2022	1,960,000			
2023	2,050,000			
2024	2,145,000			
2025	2,245,000			
2026	2,330,000			
2027	2,395,000			
2028	2,475,000			
2029	2,565,000			
2030	2,655,000			
2031	2,755,000			

$5,800,000* ____% Term Bond due June 1, 2033 Yield ____% Price ____% CUSIP No. _____**

*Preliminary, subject to change.

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

$44,110,000*
The Board of Education of the
County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

ELECTED OFFICIALS
Dr. Barbara L. Parsons, President
Mike Kelly
Craig Cerra
Nancy Walker
Dr. Clarence Harvey, Jr.

APPOINTED OFFICIALS
Dr. Frank Devono, Superintendent
Donna Talerico, Assistant Superintendent of Pupil Services
Becky Mattern, Assistant Superintendent for Administration, C&I
Wm. Terry Hawkins, Chief School Business Official and Treasurer

BOARD'S COUNSEL
Bowles Rice McDavid Graff & Love LLP
Morgantown, West Virginia

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

UNDERWRITER
Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITER'S COUNSEL
Steptoe & Johnson PLLC
Charleston, West Virginia

*Preliminary, subject to change.

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

You should make your own decision whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure, nor whether it is complete.

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

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Forward-Looking Statements

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

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OFFICIAL STATEMENT
RELATING TO

$44,110,000*
The Board of Education of the
County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $44,110,000* in aggregate principal amount of The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). A brief description of The Board of Education of the County of Monongalia, West Virginia (the "Board"), the Monongalia County School District (the "School District") and the County of Monongalia, West Virginia (the "County" or "Monongalia County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

The Bonds are being issued to provide funds, along with other funds from accounts established for the Series 2004 Bonds, as hereinafter defined, to provide for the advance refunding of the Board's Public School Bonds, Series 2004 issued in the original aggregate principal amount of $50,000,000 ("Series 2004 Bonds") of which $42,715,000 is outstanding. Proceeds of the Bonds will also be used to pay legal, consulting and other professional fees, printing and other issuance costs.

The Series 2004 Bonds were issued to fund a portion of the cost of constructing a new University High School, a new Westwood Elementary School and a new Cass Elementary School, to fund the costs of improvements to Mason Dixon Elementary School, Clay-Battelle Middle/Senior High School, Morgantown High School and renovations to the entrances to the remaining schools in the School District to comply with the Safe Schools Act (the "Projects"), which facilities are all located within Monongalia County and the School District. Proceeds of the Series 2004 Bonds were also used to pay capitalized interest on the Series 2004 Bonds, legal, consulting and other professional fees, printing and other issuance costs.

At a special election held on October 4, 2003, the issuance of bonds in an amount of up to $50,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved by the qualified voters of the School District for the purposes of paying costs of the Projects, paying capitalized interest on the Series 2004 Bonds and paying costs of issuance of the Series 2004 Bonds. The Series 2012 Bonds will refund the Series 2004 Bonds.

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

*Preliminary, subject to change.

THE BONDS

General

The Bonds will be dated the date of delivery thereof and are issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1 as set forth on the cover of this Official Statement.

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

Interest on the Bonds will be payable on November 1, 2012 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at the address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $500,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Authority and Purpose

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Bond Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8 of the Constitution and Sections 20 and 34 of the Bond Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds. Pursuant to the Better Schools amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law. Pursuant to the Bond Act and orders and resolutions duly entered and adopted by the Board, on February 24, 2004 and May 12, 2004, the issuance of bonds in the aggregate principal amount of $50,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved at a special election by 73.22% of the participating voters. Proceeds of the Series 2004 Bonds were applied, together with certain funds received by the Board from the State of West Virginia (the "State") and other sources, to the cost of acquisition and construction of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District. The ballot question limited the term of the bonds to twenty-nine (29) years from their date and limited the rate of interest on the bonds to a rate not exceeding 6.50% per annum. Pursuant to the Bond Act, the Series 2004 Bonds were issued on May 26, 2004 and designated Public School Bonds, Series 2004.

The Board is issuing the Bonds pursuant to Article 2 of Chapter 13 of the Code of West Virginia, as amended (the "Refunding Act") and a resolution of the Board adopted on April 24, 2012 (the "Resolution"). The Board is issuing the Bonds for the purpose of advance refunding the Series 2004 Bonds. In accordance with the provisions of the Refunding Act, debt service on the Bonds will not exceed in each year the amount of taxes expected to be available for payment of such debt service in accordance with the terms approved by the voters. The Series 2004 Bonds will be deemed paid upon the completion of the advance refunding. Certain funds of the Board on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") relating to the Series 2004 Bonds will become surplus funds as a result of the advance refunding and will be available for release to the Board.

Redemption Provisions for Bonds

Mandatory Redemption

The Bonds maturing on May 1, ___, and May 1, ___ (the "Series 2012 Term Bonds") are subject to mandatory redemption prior to maturity in part from moneys on deposit with the Bond Commission in the Debt Service Account for the Bonds at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the Mandatory Redemption Date, in the years and in the annual principal amounts as follows:

For the Series 2012 Term Bonds maturing on May 1, ____:

Year	Amount

* Final Maturity

For the Series 2012 Term Bonds maturing on May 1, ____:

Year	Amount

*Final Maturity

Optional Redemption

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

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

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

Plan of Financing

Proceeds of the Bonds in the amount of $_____ will be combined with the sum of $_____ which will be transferred from accounts of the Board held at the Bond Commission in connection with the Series 2004 Bonds and along with other funds made available to the Board will be applied towards the funding of an escrow to advance refund the Series 2004 Bonds. Such proceeds will be used to pay the redemption price of the Series 2004 Bonds called for redemption, together with the interest that will accrue on the Series 2004 Bonds to the redemption date thereof. The above referenced funds in the total amount of $_____ will be held by the Bond Commission, as Escrow Agent under an Escrow Agreement to be entered into on or about _____, 2012

(the "Escrow Agreement"), by and among the Board and the Bond Commission. The Series 2004 Bonds are expected to be called for redemption on or about March 3, 2014, and the redemption date is expected to be May 1, 2014 (the "Redemption Date"). During the period in which the proceeds of the Bonds and other funds of the Issuer are deposited with the Bond Commission pursuant to the Escrow Agreement (except amounts necessary for costs of issuance), such funds will be invested in United States Treasury Obligations (the "Obligations"). The maturing principal of and interest on the Obligations are not pledged to and will not be available to pay the Bonds.

Sources and Uses of Funds

Sources

Proceeds of the Bonds	$_____
Amounts Transferred from Bond Commission (Funds and Accounts for Series 2004 Bonds)	$_____
TOTAL	$_____

Uses

Deposit to Escrow Fund [1]	$_____
Underwriter's Discount	$_____
Costs of Issuance[2]	$_____
TOTAL	$_____

Nature of Obligation, Security and Source of Payments

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

Debt Administration

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

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

---

[1] The amount set forth in the Escrow Agreement as required, to effect the advance refunding of the Series 2004 Bonds as described herein.

[2] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Printing, Accounts' Verification Report, Registrar and other fees and expenses associated with the issuance of the Bonds.

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

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 Monongalia. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

MONONGALIA COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members nominated and elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. In 2012, the terms of two (2) 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 2011-2012, the Monongalia County school system had a central office professional staff of 27 with the overall responsibility to coordinate and supervise the activities of 37 school administrators, 882 instructional staff (teachers and other professionals), and 519 service personnel. Total Full Time Equivalent positions are 1489.26.

Historical School Enrollment (School Year)

Grades	2007	2008	2009	2010	2011
Pre-K Special Needs	N/A	83	89	109	121
Pre-K Universal	N/A	526	548	551	632
K	766	728	739	820	808
1	714	763	714	760	830
2	712	725	785	734	767
3	716	713	724	783	759
4	718	712	722	721	778
5	691	716	713	753	729
6	758	703	738	730	753
7	776	762	707	747	761
8	743	772	770	733	760
9	897	902	948	935	858
10	829	764	776	793	837
11	784	766	715	735	748
12	703	738	744	988	743
Total	10,262	10,373	10,432	10,592	10,884

Rate of Increase (Decrease) in Enrollment	
2007-2011	6.06 %
Annualized	1.52 %

Source: Monongalia County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2012	11,070
2013	10,928
2014	10,931
2015	10,946

Source: Monongalia County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Renovation or Addition and Date	
Brookhaven Elementary (New)	PK-5	Masonry/Concrete	1994	Addition	2011
Brookhaven Elementary (Old)	PK-5	Masonry/Concrete	1954 & 1977	Addition	1980
Cheat Lake Elementary	PK-4	Concrete	1991	Renovations	2010
Daybrook Center	Early Head Start	Masonry/Concrete	1920		
Easton Elementary	PK-4	Masonry/Concrete	1925 & 1953	Addition	1991
Mason-Dixon Elementary	PK-6	Masonry/Concrete	1994	Addition Renovations	1985 2006
Mountainview Elementary	K-5	Masonry/Concrete	1991		
Mylan Park Elementary	PK-5	Masonry/Concrete	2006		
North Elementary	K-5	Masonry/Concrete	1979	Addition	1985
Ridgedale Elementary	K-5	Masonry/Concrete	1954, 1983, 1991, 2000	Addition Renovations	2008 2009
Skyview Elementary	PK-5	Masonry/Concrete	2006		
Suncrest Primary	K-3	Masonry/Concrete	1918, 1953, 1956	Addition	1997
Westover Elementary	-	Rubblestone/Concrete	1936	Additions	1972, 1978
Woodburn Elementary	K-5	Masonry/Concrete	1909 & 1958	Additions	1985, 1997
Mountaineer Middle	6-8	Masonry/Concrete	1930	Renovations	2009
South Middle	6-8	Masonry/Concrete	1979	Addition	1998
Suncrest Middle	6-8	Masonry/Concrete	1939, 1953, 1993, 1996	Addition	1985
Westwood Middle	6-8	Masonry/Concrete	1994		
Clay-Battelle High	7-12	Masonry/Concrete	1938, 1950, 1977, 1991	Additions Additions and Renovations	1995 2006
Morgantown High	9-12	Masonry/Concrete	1924, 1926, 1939, 1997	Additions Additions and Renovations	1980, 1998 2007
University High	9-12	Masonry/Concrete	2008		
Technical Education Center	-	Masonry/Concrete	1978, 1987		

Source: Monongalia County Board of Education

Tax Collection Procedures

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

Tax Levies and Collections

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual ($) Collected	Actual (%) Collected
2006-2007				
General Current	20,104,517	18,170,340	19,091,784	94.96%
Bond Levy	3,780,249	3,439,750	3,764,161	99.57%
Excess Levy	17,256,793	16,066,074	17,089,259	99.03%
2007-2008				
General Current	21,402,507	19,260,953	20,852,219	97.43%
Bond Levy	3,773,019	3,428,050	3,785,115	100.32%
Excess Levy	18,986,451	17,676,385	18,936,004	99.73%
2008-2009				
General Current	22,883,102	20,531,621	22,135,366	96.73%
Bond Levy	3,750,941	3,413,650	3,764,130	100.35%
Excess Levy	20,299,906	18,899,213	20,260,262	99.80%
2009-2010				
General Current	23,855,866	21,237,757	23,041,367	96.59%
Bond Levy	3,738,238	3,401,550	3,698,499	98.94%
Excess Levy	21,162,860	19,702,623	20,950,080	98.99%
2010-2011				
General Current	25,694,329	22,848,280	24,479,078	95.27%
Bond Levy	3,721,704	3,386,450	3,689,765	99.14%
Excess Levy	22,793,785	21,221,014	22,438,977	98.44%

Assessment Procedure

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

The State Tax Commissioner has the responsibility for preparing tentative valuations of all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the 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 Monongalia County School District includes all of Monongalia County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code requires all assessors to appraise all property at fair market value (except for certain farm property), within three years. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. The legislation limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The legislation specifically provided that assessors should not implement the reappraisal described above. The legislation requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

The Monongalia County Assessor entered into an Agreement in 2011 with Tyler Technologies, Inc. ("Tyler") for the purpose of engaging Tyler to undertake a county-wide review of the assessed values of real and personal property in Monongalia County. Following the completion of its initial review, Tyler recommended modifications to the assessed value of many of the real property tax parcels in the County and in the assessed value of certain personal property. Tyler, in conjunction with The County Commission of Monongalia County, setting as a Board of Equalization and Review, and the Monongalia County Assessor's Office, continues to evaluate assessed valuations in the County and is considering feedback from County taxpayers regarding existing assessments and proposals for revaluation. This revaluation process is anticipated to result in a more than 5% overall average increase in the assessed valuation of property in Monongalia County for the tax year commencing July 1, 2012. Modest increases in the assessed valuation of the property in the County are also anticipated for the 2013 and 2014 tax years.

Assessed Valuation By Property Class*

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	0	0	0	0	0
II	1,406,135,012	1,498,834,029	1,559,982,982	1,637,936,361	1,773,490,716
III	1,497,334,488	1,551,377,165	1,706,934,100	1,689,742,799	1,899,291,901
IV	748,451,321	773,415,520	824,199,337	843,241,388	895,479,451
Total	3,651,920,821	3,823,626,714	4,091,116,419	4,170,920,548	4,568,262,068

Assessed Valuation By Property Category*

Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Real	2,587,084,130	2,801,688,190	2,987,574,750	3,070,880,340	3,351,647,930
Personal	808,058,180	822,025,482	899,872,577	929,502,165	1,032,766,945
Public Utility	256,778,511	199,913,042	203,669,092	170,538,043	183,847,193
Total	3,651,920,821	3,823,626,714	4,091,116,419	4,170,920,548	4,568,262,068

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

$108,921,806 in 2008-2009
$110,628,690 in 2009-2010
$111,817,339 in 2010-2011
$111,810,836 in 2011-2012
$117,961,708 in 2012-2013

Largest Assessed Valuations (tax year 2012)

Property Owner	Assessed Valuation ($)
Mylan Pharmaceuticals	$227,977,660
Monongahela Power	86,135,919
Eastern Associated Coal	43,813,585
Morgantown Energy Associates	33,597,227
Morgantown Mall	28,283,040
Frontier West Virginia Inc.	24,880,187
Crompton Chemicals	24,787,852
Wal-Mart Stores	24,378,277
Suncrest Resources, LLC	22,947,000
Copper Beach Townhomes	21,366,420

Source: Monongalia County Assessor and West Virginia State Auditor's Office

Tax Rate Comparisons (Source: West Virginia State Auditor)

The following shows Monongalia 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.

Rates of Levy*

County	Class I	Class II	Class III/IV
MONONGALIA	51.75	103.50	207.00
Marion	62.01	124.02	248.04
Preston	50.91	101.82	203.64
Taylor	55.15	110.30	220.60
Wetzel	56.90	113.80	227.60

*Includes the total levy for State, County and schools in each County.

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

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

Tax Rates - By Property Class (Cents Per $100)

School Current Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	17.21	17.21	17.21	17.21	17.21
II	34.42	34.42	34.42	34.42	34.42
III and IV	68.84	68.84	68.84	68.84	68.84

School Bonds

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	3.18	3.04	2.81	2.77	2.40
II	6.36	6.08	5.62	5.54	4.80
III and IV	12.72	12.16	11.24	11.08	9.60

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8, Section 6b of the Code of West Virginia of 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

Rates of Levy (Source: West Virginia State Auditor)

The tax rates for citizens of the County, including those imposed by the Monongalia County Board of Education, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2012-2013 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	9.50	19.00	38.00
School Current	19.40	38.80	77.60
School Bonds	2.40	4.80	9.60
School Excess	17.21	34.42	68.84

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2012-2013 fiscal year.

Municipality	Class I	Class II	Class III/IV
Blacksville	10.94	21.88	43.76
Granville	10.75	21.50	43.00
Morgantown	12.50	25.00	50.00
Star City	12.50	25.00	50.00
Westover	9.62	19.24	38.48

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)	96,189
Assessed Valuation	$4,568,262,068
Debt Limit (5% of Assessed Valuation)	228,413,103
Outstanding Debt (including the estimated refunding Bonds)*	44,110,000
Debt Contracting Margin*	184,303,103
Per Capita Debt*	$459
Outstanding Debt as percentage of Assessed Valuation*	0.97%

*Preliminary subject to change. Assessed Value is 60% of appraised or market value (Assessment Year 2012, Fiscal Year 2013).

Debt Service Requirements

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

Schedule of Bond Indebtedness
Public School Bonds

Year Ending June 30	Series 2012 Principal	Series 2012 Interest	Total
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
TOTAL			

Overlapping Debt

There is no overlapping county or city general obligation debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the State Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Review Revenue Fund

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

Investment of Certain Funds

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

Accounting Practices

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

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

Annual Audit

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

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November/December-	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January/February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing. A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual (Source: Monongalia County Board of Education)

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

	2011 Budget	2011 Actual*	2012 Budget	2012 Actual**	2013 Budget
Revenues Collected:					
Local Sources:					
Property Taxes	46,473,333	46,918,055	44,566,740	40,456,354	48,995,910
Other Local Sources	1,130,624	1,200,910	582,656	1,874,237	1,865,000
State Sources					
Other Unrestricted	44,258,495	56,932,296	49,397,534	33,946,599	50,099,590
Federal Sources	1,098,637	1,236,854	750,000	856,500	750,000
Total Revenues Collected	92,961,089	106,288,115	95,296,930	77,133,690	101,710,500
Expenditures Paid:					
Instruction	49,427,589	61,320,730	56,450,892	39,349,305	58,454,170
Supporting Services:					
Students	4,914,621	6,041,844	5,090,357	3,692,485	5,837,010
Instructional Staff	1,754,382	2,386,638	1,870,868	1,448,566	1,814,680
Central Administration	1,417,144	1,475,883	1,611,228	1,228,108	1,499,190
School Administration	5,165,232	6,665,513	5,037,553	4,033,697	5,402,420
Central Services	1,603,628	1,834,791	1,699,784	1,302,882	1,703,550
Operation & Maintenance of Facilities	13,511,590	14,018,220	12,505,967	10,160,061	12,842,830
Student Transportation	8,048,063	9,039,475	7,875,230	6,003,984	8,024,900
Food Services	0	765,940	0	0	0
Community Services	1,090,145	1,087,823	1,011,753	1,059,855	1,105,360
Capital Outlay	66,070	57,959	0	0	0
Debt Service:					
Principal Retirement	894,090	894,072	991,130	729,481	991,130
Interest & Fiscal Charges	0	0	0	0	0
Reserves			14,042,390	0	164,980
Total Expenditures	87,892,554	105,588,888	108,187,152	69,008,424	97,840,220
Excess (Deficiency) of Revenues over Expenditures	5,068,535	699,227	(12,890,222)	8,125,266	3,870,280
Total Other Financing Sources (Uses)	(7,776,794)	(7,090,570)	(4,093,200)	0	(4,220,280)
Net change in Fund Balance	(2,708,259)	(6,391,343)	(16,983,422)	8,125,266	(350,000)
Fund Balance at July 1,	2,708,259	2,938,599	16,983,422	16,983,422	350,000
Fund Balance at June 30,	0	(3,452,744)	0	25,108,688	0

*This includes $20,617,796 Other Post-Employment Benefits Liabilities for Fiscal Year 2011.
**The Actual figures for 2012 are based only on a partial year which commenced on July 1, 2011 and ended on April 26, 2012 and does not include the Other Post-Employment Benefits Liabilities for Fiscal Year 2012. The partial year Actual results reported above for Fiscal Year 2012 have not been audited.

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

Teachers' Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2011, there were 35,880 active members and 31,043 retirees. The plan reopened for new members as of July 1, 2005.

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

The most recent actuarial valuation of TRS was performed July 1, 2011 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2011, the unfunded liability of TRS was $4.370483 billion. The funded percentage was 53.7%. The State expects the TRS unfunded accrued liability to be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2011, there were approximately 4,554 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

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

TDC Transfer to TRS

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

Other Post Employment Benefits (OPEB)

The Board has adopted Governmental Accounting Standards Board (GASB) Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", which among other things, requires reporting on an accrual basis the liability associated with other postemployment benefits. In conjunction with the implementation of GASB Statement No. 43, the State of West Virginia established the Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, to account for and administer the other postemployment benefits (OPEBs) provided under the multiemployer cost-sharing plan. The PEIA Finance Board was assigned the authority to establish and amend contribution requirements of the plan members and the participating

employers, and PEIA administers the plan. The legislation requires the RHBT to determine through an actuarial study the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the respective employers who are required by law to remit at least the minimum annual premium component of the CRC. The Board is required to participate in the RHBT established for the multiemployer cost-sharing plan. Details regarding this plan can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or http://www.wvpeia.com.

Revenues collected by RHBT are used to fund current OPEB health care claims and administrative expenses with residual funds held in trust for future OPEB costs. The rates charged must generate sufficient revenues to not only meet all expected expenses, including insurance, administrative expenses, and incurred but unreported claims of the RHBT, but also include the amounts necessary to fund the unfunded obligation of the plan over an amortization period not to exceed 30 years.

In an effort to reduce OPEB obligations, after conducting public hearings around the State in November, 2011, the PEIA Finance Board met on December 13, 2011 and adopted its plan for 2012-2013 which, among other things, cut health benefits by approximately $18.4 million per year and set a cap on retiree premium subsidies of $343 per month, effective as of July 1, 2012, for those employees hired on or before July 30, 2010. The $343 retiree premium subsidy cap will increase over time for inflation, but by no more than 3% per year. This action is calculated to reduce the State of West Virginia's OPEB liability by half to $5 billion and is projected to ultimately eliminate the OPEB liability by 2040.

The OPEB liability, Actuarial Accrued Liability (AAL), for the multiple-employer-cost sharing plan, for plan year FY 2012, was estimated at $10.3 billion. This amount represents a substantial unfunded liability for the employers which are a part of the plan. The action taken by the PEIA Finance Board at its December 13, 2011 meeting is estimated to have cut the OPEB liability in half to approximately $5 billion. The PEIA 2012-2013 plan contemplates that State retirees will pay the additional $5 billion over time in the form of higher premiums or reduced benefits or both.

On February 10, 2012, the West Virginia Legislature passed Senate Bill 469 which creates a plan to address the funding of OPEB liabilities associated with the PEIA in the State of West Virginia. The Senate Bill eliminates health care insurance premium subsidies for PEIA insured employees which were hired after July 1, 2010 and sets up the Post July 1, 2010 Employee Trust Fund for the purpose of funding retirement benefits for employees hired after July 1, 2010. Under Senate Bill 469, following the elimination of the actuarial unfunded liability of the State's Workers' Compensation Trust Fund, the State will begin to apply $35 million a year from personal income tax collections as follows: $30 million a year will be deposited into the West Virginia Retiree Health Benefit Trust Fund (until the actuarial unfunded liability is eliminated or July 1, 2037, which ever is later to occur) for the purpose of paying down the remaining $5 billion of long-term OPEB liability associated with the PEIA, and (ii) $5 million a year will be deposited into the Post July 1, 2012 Employee Trust Fund to assist employees hired after July 1, 2010.

For professional employees, service personnel and professional student support personnel of the various County Boards of Education in the State, including the Board, which are employed within the limits permitted by the foundation allowance of the State school aid formula, the necessary OPEB premiums which are required to be paid to PEIA with respect to such employees shall be charged to the State of West Virginia. However, such County Boards of Education, including the Board, retain liability for payment of the necessary OPEB premiums which are required to be paid to PEIA for all professional employees, service personnel and professional student support personnel which are employed by such County Boards of Education in excess of the limits permitted by the foundation allowance of the State school aid formula.

In accordance with GASB requirements, the Board accrues OPEB costs based upon invoices received from PEIA based upon actuarially determined amounts. As of June 30, 2011 and June 30, 2010, the noncurrent liability related to OPEB costs for the Board was $20,617,796 and $11,265,572. The total amount of OPEB

expense incurred for the fiscal year ending June 30, 2011 was $11,823,480. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2010 was $12,173,253. For additional information regarding the Board's liabilities and expenses, see "APPENDIX A – Audit Report of Monongalia County Board of Education for the Fiscal Year Ended June 30, 2011" and the accompanying notes to the financial statements.

Sources: West Virginia Public Employees Insurance Agency; Monongalia County Board of Education

Insurance Coverage (Source: Monongalia County Board of Education)

1. Type		Amount in Force (FY 2012)
Deluxe Commercial Property insurance		$241,491,810
Deductible per occurrence		$10,000
Machinery and Equipment insurance		$10,000 per occurrence
Deductible per occurrence		$1,500
Flood insurance		$500,000 to $1,000,000 per building and contents
Deductible per occurrence		$25,000 or $50,000
Public official position bond:	Superintendent	$50,000
	Board President	$50,000
	Treasurer	$600,000
Fidelity Honesty Bond		$100,000

Liability Insurance: The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2011 to July 1, 2012. The Board is insured for the following coverages:

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

2. Limits of Liability

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

SPECIAL LIMITS: The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.

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

TAX MATTERS

In the opinion of Bowles Rice McDavid Graff & Love LLP, Bond Counsel, under existing law, the interest on the Series 2012 Bonds is excludable from gross income 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. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that, under existing law, the Series 2012 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2012 Bonds and the interest thereon.

The opinion on federal tax matters with respect to the Series 2012 Bonds is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Board contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2012 Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The Board has covenanted to take the actions required of it for the interest on the Series 2012 Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the Board's certifications and representations and the continuing compliance with the Board's covenants. Noncompliance with these covenants by the Board may cause the interest on the Series 2012 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012 Bonds. After the date of issuance of the Series 2012 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2012 Bonds or the market prices of the Series 2012 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Series 2012 Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Series 2012 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2012 Bonds. Bond Counsel will express no opinion regarding any such consequences.

Tax Treatment of Accruals on Original Issue Discount Series 2012 Bonds

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Series 2012 Bond is less than the stated redemption price of such Series 2012 Bonds at maturity, then such Series 2012 Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Series 2012 Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Series 2012 Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Series 2012 Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Series 2012 Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount

The "market discount rules" of the Code apply to the Series 2012 Bonds. Accordingly, holders acquiring their Series 2012 Bonds subsequent to the initial issuance of the Series 2012 Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Series 2012 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. If an owner purchasing the Series 2012 Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2012 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

West Virginia Tax

In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Possible State and Federal Legislative Changes with Respect to Tax-Exempt Bonds

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of bonds issued to finance educational facilities or to limit the extent of the current tax advantages available for tax exempt bonds or to limit the use of tax-exempt bonds. Any such limitation could

reduce the Board's ability to finance future capital needs of the School District. The effect on the Board of proposed laws and regulations and future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2012 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. As one example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. For tax years beginning on or after January 1, 2013, the American Jobs Act of 2011, if enacted, would limit the exclusion from gross income of interest on obligations like the Series 2012 Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2012 Bonds. Prospective purchasers of the Series 2012 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.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988 89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in

West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.

2. The decision of the Honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and

3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.

4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age appropriate, non handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, and expresses the opinion of the Board that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse effect on the financial condition of the Board.

On February 22, 2010, forty-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance

Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor (the "OPEB Litigation") seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. The Circuit Court of Kanawha County dismissed the suit on the grounds that it was a political question better answered by the West Virginia Legislature. The county boards of education appealed this decision to the West Virginia Supreme Court. The West Virginia Supreme Court upheld the Circuit Court of Kanawha County's decision to dismiss the suit.

The West Virginia Legislature enacted Senate Bill 469 subsequent to the West Virginia Supreme Court's decision in the OPEB Litigation above described. Senate Bill 469 provides that OPEB premiums associated with the PEIA for certain County School Board employees which are employed within the foundation allowance of the State school aid formula are to be charged to the State of West Virginia rather than the County School Boards. However, the County School Boards retain liability for such OPEB premiums for employees which are employed outside of the foundation allowance of the State school aid formula (see Other Post Employment Benefits discussion in this Official Statement for additional detail).

The State of West Virginia's OPEB liability and the Board's OPEB liability may be subject to additional lawsuits and legislative action in the future which could have an effect on the amount of the Board's OPEB liability. No representation can be made regarding the potential outcome of any such lawsuits, if initiated, or the likelihood of any future legislative actions and any effect on the amount of the Board's OPEB liability.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX F (the "Continuing Disclosure Agreement"), to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2012, and to provide notice of the occurrence of the enumerated events listed therein, if material (for those enumerated events which specify a materiality determination). The Annual Information and each notice of enumerated events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the Board (the "Dissemination Agent"), with the Electronic Municipal Markets Access system maintained by the Municipal Securities Rulemaking Board ("EMMA").

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

The Board issued its Series 2004 Bonds in the amount of $50,000,000 on May 26, 2004. In connection with the issuance of the Series 2004 Bonds the Board entered into a Continuing Disclosure Agreement, dated as of May 26, 2004 (the "2004 Disclosure Agreement"), by and between the Board and United Bank, Inc., as dissemination agent. Pursuant to the 2004 Disclosure Agreement the Board agreed to provide its annual audited financial statements to the Dissemination Agent for filing with each of the approved National Repositories for purposes of the Rule within 300 days following the completion of the Board's June 30 Fiscal Year end. The

Board also agreed in the 2004 Disclosure Agreement to provide notice of the enumerated events listed therein, if material, to each of the approved National Repositories for purposes of the Rule and to the Municipal Securities Rulemaking Board.

For the fiscal years of the Board ending on June 30, 2006, June 30, 2007 and June 30, 2008, the Board failed to file its audited financial statements with the then approved National Repositories within 300 days following the completion of each such fiscal year as required by the 2004 Disclosure Agreement. However, for each of these fiscal years the audited financial statements were filed with the approved National Repositories within 30 days following the expiration of the permitted 300 day time frame. This failure was primarily due to a misunderstanding with respect to the due date of such continuing disclosure filings. However, the Board is confident that these timing issues have been resolved and that the Board will be able to file its audited financial statements with EMMA within the time frame required by the Continuing Disclosure Agreement. As an indication of the reasonableness of this belief, the Board has filed its audited financial statements with EMMA in a timely fashion for each of its fiscal years ending June 30, 2009, June 30, 2010 and June 30, 2011.

LEGAL MATTERS

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

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of 'AA' based on the Board's eligibility and participation in the West Virginia Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

VERIFICATION AGENT

Grant Thornton LLP, Minneapolis, Minnesota, has been retained as verification agent for the Bonds (the "Verification Agent"). The Verification Agent shall provide a verification of the sufficiency of the escrow for the repayment of the Series 2004 Bonds on the redemption date thereof.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as Underwriter. The Purchase Contract provides that the Underwriter will purchase all the Bonds if any are purchased, the obligation to make such purchase being subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof. The Underwriter has agreed to purchase the Bonds, subject to certain conditions, for a purchase price of $_____ (par less an Underwriter's discount of $_____ plus a net premium in the amount of $_____).

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the Bonds. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Monongalia.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purposes. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. The distribution of this Official Statement has been approved by the Board. Additional information may be obtained from the undersigned at 13 South High Street, Morgantown, West Virginia, 26501, telephone (304) 291-9210.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: /s/
Dr. Barbara L. Parsons, President

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APPENDIX A

Audit Report of Monongalia County Board of Education for the Fiscal Year Ended June 30, 2011

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MONONGALIA COUNTY BOARD OF EDUCATION

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INDEPENDENT AUDITOR'S REPORT AND RELATED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED JUNE 30, 2011

RFP #10-025 (Monongalia County)

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MONONGALIA COUNTY BOARD OF EDUCATION
INDEX OF FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

GOVERNMENTAL FUND TYPES

General Current Expense

Special Revenue Funds

Restricted Projects

ARRA – Restricted Projects

Debt Service

Capital Projects Funds

Bond Construction

Permanent Improvement

Capital Projects

FIDUCIARY FUND TYPE

School Activity Funds

MONONGALIA COUNTY BOARD OF EDUCATION
BOARD OFFICIALS
JUNE 30, 2011

Title	Elected Officials	Term
Board Member	Nancy A. Walker	July 1, 2008 – June 30, 2012
Board Member	Dr. Clarence Harvey, Jr.	July 1, 2010 – June 30, 2014
Board Member	Dr. Barbara L. Parsons	July 1, 2010 – June 30, 2014
Board Member	Joseph C. Statler	July 1, 2008 – June 30, 2012
Board Member	Mike Kelly	July, 1, 2010 – June 30, 2014
	Appointed Officials	
Board President	Dr. Barbara L. Parsons	July 1, 2010 – June 30, 2012
Superintendent	Frank D. Devono	July 1, 2008 – June 30, 2011
Treasurer	W. Terry Hawkins	July 1, 2010 – June 30, 2011

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants
122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax (304) 624-5582 • www.tetrickbartlett.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

We have audited the accompanying financial statements of the governmental activities and each major fund of Monongalia County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Monongalia County 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Monongalia County Board of Education, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the Board of Education implemented the provisions of Governmental Accounting Standards Board Statement Number 24, "*Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*" and Governmental Accounting Standards Board Statement Number 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," in the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2012, on our consideration of the Monongalia County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 14 and 60 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monongalia County Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Also, the accompanying other supplementary information of the schedule of changes in School Activity Funds is presented for purposes of additional analysis and are not a required part of the basic financial statements of Monongalia County Board of Education. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Tetrick & Bartlett, PLLC
March 11, 2012

MONONGALIA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Our discussion and analysis of the Monongalia County Board of Education's (Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2011. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's net assets exceeded liabilities by approximately $107.5 million *(net assets)* at the close of the most recent fiscal year. Of this amount, the Board had an unrestricted net asset balance deficit of approximately $3.2 million *(unrestricted net assets)* and approximately $12.0 million of restricted net assets.

- The Board's total net assets decreased by approximately $1.5 million. This decrease was primarily due to an increase in the Other Post Employment Benefit (OPEB) related liability.

- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately $8.2 million, a decrease of approximately $9.8 million in comparison with the prior year. This decrease is also because of the increase in the OPEB related liability.

- At the end of the current fiscal year, unassigned fund balance deficit for the general fund was approximately $6.3 million, or six percent of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements - The district-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Board's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing or related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The district-wide financial statements can be found on the pages following this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the special revenue ARRA fund, bond construction fund, permanent improvement fund, capital projects fund, and the debt service fund, all of which are considered major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page following pages.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages following the basic financial statements.

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by approximately $107.5 million at the close of the most recent fiscal year.

- The largest portion of the Board's net assets (approximately 92%) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- An additional portion of the Board's net assets (approximately 11%) represents resources that are subject to external restrictions on how they may be used.

- The remaining balance of unrestricted net assets (approximate deficit of 3%) represents cash and other receivable balances and may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget.

The following summarizes the statement of net assets at June 30, 2011 in comparison with the year ended June 30, 2010:

	Governmental Activities	
	2011	2010
ASSETS		
Current and other assets	$ 43,929,011	$ 43,355,083
Capital assets	149,411,675	140,338,888
TOTAL ASSETS	$ 193,340,686	$ 183,693,971

	Governmental Activities	
	2011	2010
LIABILITIES AND NET ASSETS		
Liabilities		
Current and other liabilities	$ 37,515,236	$ 26,283,152
Long-term liabilities outstanding	48,257,811	48,313,889
Total liabilities	85,773,047	74,597,041
Net Assets		
Invested in capital assets, net of related debt	99,097,786	90,197,551
Restricted	11,701,971	15,165,234
Unrestricted	(3,232,118)	3,734,145
Total net assets	107,567,639	109,096,930
TOTAL LIABILITIES AND NET ASSETS	$ 193,340,686	$ 183,693,971

The key elements of the changes in the Board's statement of net assets for the year ended June 30, 2011 are as follows:

- The Board's net assets decreased by approximately $1.8 million which was primarily due to increases in capital assets from ongoing construction and property tax revenue offset by decreases as a result of the OPEB liability increase for the 2011 year.

- The Boards current assets increased by approximately $761 thousand which was primarily the result of an increase in cash and receivables.

- The Boards capital assets increased by approximately $8.5 million net of accumulated depreciation. This is primarily a result of the construction at several of the County Board's school facilities. More discussion is noted below.

- The Board's current liabilities increased by approximately $11.1 million which was the result of an increase in the OPEB liability as discussed above.

The following summarizes the statement of activities at June 30, 2011 in comparison with the year ended June 30, 2010:

	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	$ 5,494,392	$ 5,320,649
Operating grants and contributions	17,743,219	17,686,553
Capital grants and contributions	656,565	4,063,217
General revenues:		
Property taxes	49,931,429	48,163,762
Unrestricted state aid	58,099,190	44,352,801
Unrestricted investment earnings	243,347	265,026
Unrestricted grants and contributions	419,464	340,869
Gain (loss) on sale of assets	136,592	113,495
Total revenues	132,724,198	120,306,372
Expenses		
Instruction	85,391,873	73,216,974
Supporting services:		
Students	4,905,807	5,572,160
Instructional staff	3,204,985	2,834,887
District admin.	1,654,909	1,717,959
School admin.	3,803,883	4,853,548
Business services	1,895,167	1,746,843
Operation and Maintenance	13,985,059	11,972,348
Transportation	9,680,218	8,261,900
Total supporting services	39,130,028	36,959,645
Food services	6,389,128	5,355,868
Community services	1,101,217	845,003
Interest on long-term debt	2,241,243	2,289,748
Total expenses	134,253,489	118,667,238
Change in net assets	(1,529,291)	1,639,134
Net assets – July 1	109,096,930	107,457,796
Net assets – June 30	$ 107,567,639	$ 109,096,930

The key elements of the changes in the Board's statement of activities for the year ended June 30, 2011 are as follows:

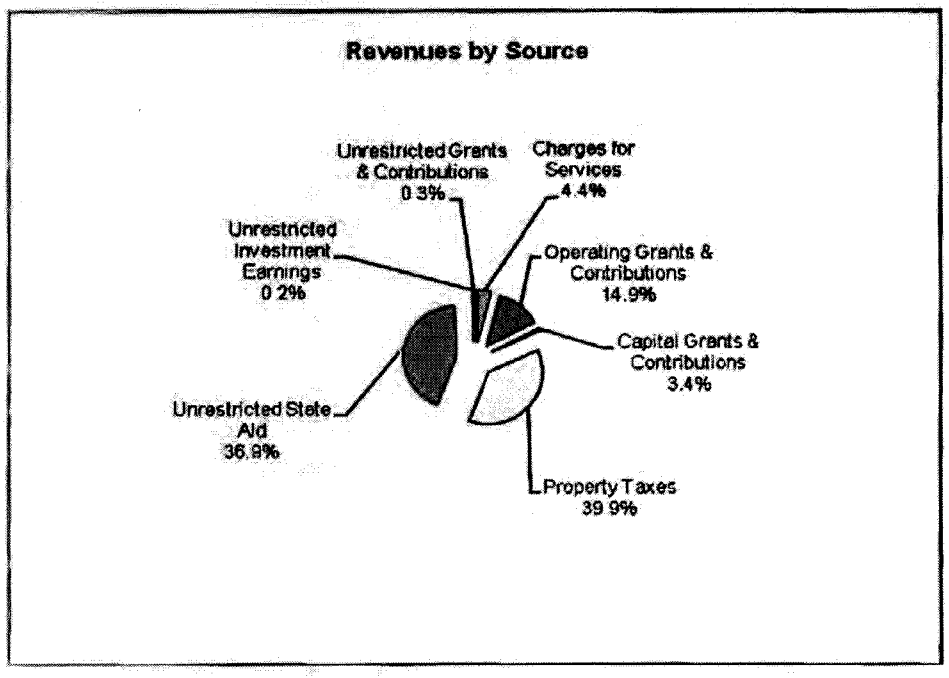
- The Board's capital grants and contributions decreased by approximately $3.1 million due to the timing of several capital projects in which the Board received revenue from the West Virginia School Building Authority (SBA) in 2010 versus 2011.

- The Board's property taxes increased by approximately $1.8 million due to an increased in the assessed valuations in the county for the 2011 fiscal year.

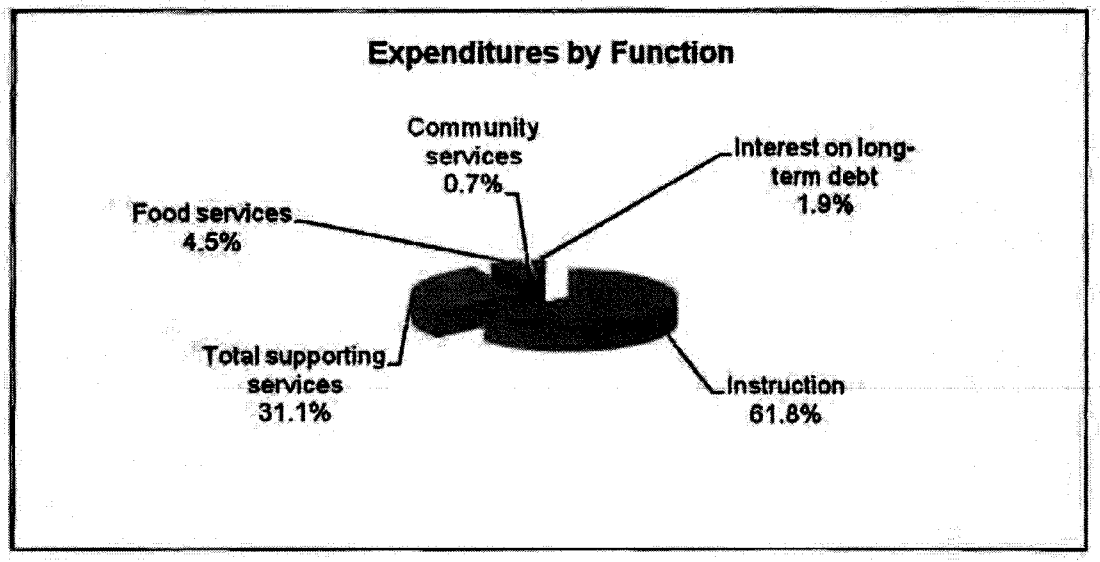
- The Board's unrestricted state aid revenue increased by approximately $13.8 million as a result of the State of West Virginia's additional payment on behalf to the Consolidated Retirement Board for the unfunded retirement.

- Overall, total expenses increased by approximately $16.0 million primarily due to an increase in the payment on behalf to the Consolidated Retirement Board for the unfunded retirement by the State of West Virginia and other minor increases in costs.

The following chart shows the Board's revenues for fiscal year ended June 30, 2011 by source:



The following chart shows the Board's expenditures for fiscal year ended June 30, 2011 by function:



Financial Analysis of the Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately $8.2 million. The net change in fund balance was a decrease of approximately $9.8 million which was due primarily to the OPEB expense increases discussed above.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. Nonspendable, restricted, committed, and assigned indicate the portion of the Board's fund balances that are not available for appropriation. The unassigned fund balance is available expendable financial resources in governmental funds. The Board had a deficit unassigned fund balance of approximately $6.5 million which was primarily a result of the OPEB liability and related expense.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was approximately $3.2 million or three percent in total general fund expenditures. The most significant differences are related to budget carryover transactions.

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2011, amounts to approximately $149.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total increase in the Board's investment in capital assets for the current fiscal year was approximately $8.5 million, net of depreciation expense. The increase was primarily a result of the continued construction of buildings throughout the County for various improvements, additions, and new construction. Construction was ongoing at Ridgedale Elementary, Mountaineer Middle School, Eastwood Elementary, Cheat Lake Elementary, Mason Dixon Elementary, Clay Battelle High School, Morgantown High School and other various projects throughout the County.

A comparison of the capital asset balances in comparison with the year ended June 30, 2011 is as follows:

	Governmental Activities	
	2011	2010
Land	$ 6,700,346	$ 3,803,702
Buildings and improvements	132,487,176	127,137,149
Land improvements	800,167	613,303
Furniture and equipment	2,806,300	2,548,214
Vehicles	3,205,210	2,682,339
Construction in process	3,412,476	3,554,181
Total capital assets	$ 149,411,675	$ 140,338,888

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

Long-term debt and other post employment benefit liability. At the end of the current fiscal year, the Board had bonded debt outstanding of approximately $43.9 million and capital lease obligations of approximately $6.4 million. During the year ended June 30, 2011, the Board entered into a new Qualified Zone Academy Bond (QZAB) in the amount of $2 million. The QZAB has a zero percent interest rate and is going to be used for energy conservation equipment in various schools within the county. The Board also had a liability for compensated absences in the amount of $627 thousand.

The following summarizes the long-term debt at June 30, 2011:

	Governmental Activities	
	2011	2010
General obligation bonds	$ 43,905,000	$ 45,040,000
Capital lease obligations	6,408,889	5,101,337
Compensated absences	626,821	686,484
Total debt outstanding	$ 50,940,710	$ 50,827,821

Beginning July 1, 2007, because of the State of West Virginia implementation of GASB Statement 45, West Virginia State Code required the Board to participate in a new OPEB multi-employer trust fund for sick leave liability. As such, the Board received billings from the trust fund which when paid will increase the Board's cash expenditures. The Board's OPEB liability increased from $11.3 million as of July 1 to $20.6 million as of June 30 an increase of approximately $9.3 million. This was the direct result of the current year annual required contribution for the OPEB liability. This liability is considered both a fund statement liability and a district wide liability.

Additional information on the Board's long-term debt can be found in notes to the basic financial statements.

Factors Bearing on the Board's Future

At the time these financial statements were prepared and audited, the Board was aware of circumstances that could significantly affect its financial health in the future:

- Beginning July 1, 2007, because of the State of West Virginia implementation of GASB Statement 45, West Virginia State Code required the Board to participate in a new Other Post Employment Benefit (OPEB) multi-employer trust fund for sick leave liability. As of June 30, 2011 the Board had a liability of approximately $20.6 million of which approximately $18.1 million represents the Board's share for State Aid eligible employees. Currently, the State of West Virginia has not appropriated any funds to cover this liability although the Board is of the opinion that the State is constitutionally required to appropriate sufficient funds to cover the cost of the annual required contribution for State Aid eligible employees. The State of West Virginia did not provide an additional appropriation for a portion of the State Aid eligible employees OPEB cost for 2011. Currently, the State of West Virginia has not appropriated any such amounts for the 2012 fiscal year which could result in a significant increase in the Board's liability for future years.

- The Board received approximately $350 thousand in additional Title I funds and $1.3 million in Individual with Disabilities Education Act funds from the American Recovery and Reinvestment Act in 2011. The Board also received an additional $3.3 million in fiscal stabilization funds during 2011 which was offset by a reduction in State Aid dollars. The Board anticipates receiving approximately $2.75 million in ARRA funds during 2012.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Office of the Superintendent at 13 South High Street, Morgantown, WV 26501 or (304) 291-9210.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 34,140,333
Investments	2,114,398
Prepaid expenses	354,313
Taxes receivable, net of allowance for uncollectible taxes	1,171,704
Food services receivable	479,103
Other receivables	612,513
Due from other governments:	
PEIA allocation receivable	1,294,542
Reimbursements receivable	3,762,105
Capital Assets	
Land	6,700,346
Buildings and improvements	169,563,098
Land improvements	2,382,526
Furniture and equipment	15,310,212
Vehicles	8,445,294
Construction in process	3,412,476
Less accumulated depreciation	(56,402,277)
Total capital assets, net of depreciation	149,411,675
TOTAL ASSETS	$ 193,340,686

	Governmental Activities
LIABILITIES AND NET ASSETS	
Liabilities	
Salaries payable and related payroll liabilities	$ 4,825,081
PEIA premiums payable	1,713,960
Other liabilities	304,457
Compensated absences	626,821
Accounts payable	4,852,947
Deferred revenue	2,147,401
Other post employment benefit payable	20,617,796
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	2,056,078
Accrued interest	370,695
Due beyond one year:	
Bonds, capital leases, and contracts	48,257,811
Total liabilities	85,773,047
Net Assets	
Invested in capital assets, net of related debt	99,097,786
Restricted for:	
Debt service	2,434,022
Special projects	(40,353)
Capital projects	9,308,302
Unrestricted	(3,232,118)
Total net assets	$ 107,567,639

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue & Changes in Net Assets Governmental Activities
Governmental Activities:					
Instruction	$ 85,391,873	$ 1,516,800	$ 12,093,005	$ 656,565	$ (71,125,503)
Supporting services:					
Students	4,905,807	87,968	694,656	-0-	(4,123,183)
Instructional staff	3,204,985	57,380	453,113	-0-	(2,694,492)
District administration	1,654,909	29,695	234,490	-0-	(1,390,724)
School administration	3,803,883	68,097	537,741	-0-	(3,198,045)
Business services	1,895,167	33,937	267,989	-0-	(1,593,241)
Operation and maintenance of facilities	13,985,059	250,730	1,979,945	-0-	(11,754,384)
Student transportation	9,680,218	173,479	1,369,918	-0-	(8,136,821)
Food services	6,389,128	3,276,306	112,362	-0-	(3,000,460)
Community services	1,101,217	-0-	-0-	-0-	(1,101,217)
Interest on long-term debt	2,241,243	-0-	-0-	-0-	(2,241,243)
Total governmental activities	$ 134,253,489	$ 5,494,392	$ 17,743,219	$ 656,565	(110,359,313)
General Revenues:					
Property taxes					49,931,429
Unrestricted state aid					58,099,190
Unrestricted investment earnings					243,347
Unrestricted grants and contributions					419,464
Gain (loss) on sale of assets					136,592
Transfers in					(10,534,472)
Transfers (out)					10,534,472
Total general revenues, other items and transfers					108,830,022
Change in net assets					(1,529,291)
Net assets – beginning					109,096,930
Net assets – ending					$ 107,567,639

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
BALANCE SHEETS -
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
ASSETS								
Cash and cash equivalents	$ 22,811,068	$ -0-	$ -0-	$ 289,849	$ 57,237	$ 10,961,841	$ 20,338	$ 34,140,333
Investments	5,000	-0-	-0-	2,109,398	-0-	-0-	-0-	2,114,398
Prepaid expenses	354,313	-0-	-0-	-0-	-0-	-0-	-0-	354,313
Taxes receivable, net	1,045,135	-0-	-0-	126,569	-0-	-0-	-0-	1,171,704
Food service receivable, net	-0-	479,103	-0-	-0-	-0-	-0-	-0-	479,103
Other receivables	612,449	-0-	-0-	64	-0-	-0-	-0-	612,513
Due from other governments:								
PEIA allocation receivable	1,294,542	-0-	-0-	-0-	-0-	-0-	-0-	1,294,542
Reimbursements receivable	-0-	2,695,986	394,654	-0-	-0-	671,465	-0-	3,762,105
Due from other funds	396,223	-0-	-0-	-0-	-0-	-0-	-0-	396,223
TOTAL ASSETS	$ 26,518,730	$ 3,175,089	394,654	$ 2,525,880	$ 57,237	$ 11,633,306	$ 20,338	$ 44,325,234

MONONGALIA COUNTY BOARD OF EDUCATION
BALANCE SHEETS -
GOVERNMENTAL FUNDS (CONT'D)
JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
LIABILITIES AND FUND BALANCES								
Liabilities								
Salaries payable and related payroll liabilities	$ 4,825,081	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 4,825,081
PEIA premiums payable	1,713,960	-0-	-0-	-0-	-0-	-0-	-0-	1,713,960
Other liabilities	304,457	-0-	-0-	-0-	-0-	-0-	-0-	304,457
Accounts payable	1,731,684	693,522	25,162	-0-	43,794	2,358,785	-0-	4,852,947
Other post employment benefits payable	20,617,796	-0-	-0-	-0-	-0-	-0-	-0-	20,617,796
Deferred revenue	778,496	2,495,189	-0-	91,858	-0-	-0-	-0-	3,365,543
Due to other funds	-0-	26,731	369,492	-0-	-0-	-0-	-0-	396,223
Total liabilities	29,971,474	3,215,442	394,654	91,858	43,794	2,358,785	-0-	36,076,007
Fund Balances								
Nonspendable	354,313	-0-	-0-	-0-	-0-	-0-	-0-	354,313
Restricted	1,399,448	-0-	-0-	2,434,022	13,443	9,760,942	20,338	13,628,193
Committed	1,272,784	-0-	-0-	-0-	-0-	-0-	-0-	1,272,784
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	(6,479,289)	(40,353)	-0-	-0-	-0-	(486,421)	-0-	(7,006,063)
Total fund balances (deficit)	(3,452,744)	(40,353)	-0-	2,434,022	13,443	9,274,521	20,338	8,249,227
TOTAL LIABILITIES AND FUND BALANCES	$ 26,518,730	$ 3,175,089	$ 394,654	$ 2,525,880	$ 57,237	$ 11,633,306	$ 20,338	$ 44,325,234

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEETS - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

Total governmental fund balance	$	8,249,227
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 fund balance sheet.		149,411,675
Property taxes receivable, food service billings receivable, and medicaid receivables will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the fund balance sheet.		1,218,142
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable		(43,905,000)
Accrued interest on bonds		(370,695)
Capital lease payable		(6,408,889)
Compensated absences		(626,821)
Net assets of governmental activities	$	107,567,639

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Revenues								
Property taxes	$ 46,918,055	$ -0-	$ -0-	$ 3,689,765	$ -0-	$ -0-	$ -0-	$ 50,607,820
Other local sources	1,042,394	1,520,925	-0-	8,038	-0-	-0-	-0-	2,571,357
State sources	56,932,296	4,150,307	-0-	-0-	-0-	1,200,050	-0-	62,282,653
Federal sources	1,236,854	11,462,903	5,065,907	-0-	-0-	-0-	-0-	17,765,664
Miscellaneous sources	158,516	-0-	-0-	-0-	7,202	-0-	-0-	165,718
Total revenues	106,288,115	17,134,135	5,065,907	3,697,803	7,202	1,200,050	-0-	133,393,212
Expenditures								
Instruction	61,320,730	11,246,649	4,763,433	-0-	-0-	-0-	-0-	77,330,812
Supporting services:								
Students	6,041,844	421,202	134,886	-0-	-0-	-0-	-0-	6,597,932
Instructional staff	2,386,638	722,384	97,400	-0-	-0-	-0-	-0-	3,206,422
Central administration	1,475,883	167,926	2,821	-0-	-0-	350	-0-	1,646,980
School administration	6,665,513	70,221	-0-	-0-	-0-	-0-	-0-	6,735,734
Business	1,834,791	61,202	-0-	-0-	-0-	-0-	-0-	1,895,993
Operation and maintenance of facilities	14,018,220	66,366	-0-	-0-	-0-	-0-	-0-	14,084,586
Student transportation	9,039,475	1,069,100	17,956	-0-	-0-	-0-	-0-	10,126,531
Food services	765,940	5,879,590	-0-	-0-	-0-	-0-	-0-	6,645,530
Community services	1,087,823	13,519	-0-	-0-	-0-	-0-	-0-	1,101,342
Capital outlay	57,959	-0-	-0-	-0-	-0-	11,113,153	422,022	11,593,134
Debt service:								
Principal retirement	894,072	-0-	-0-	1,135,000	-0-	-0-	-0-	2,029,072
Interest and fiscal charges	-0-	-0-	-0-	2,253,750	-0-	-0-	-0-	2,253,750
Total expenditures	105,588,888	19,718,159	5,016,496	3,388,750	-0-	11,113,503	422,022	145,247,818
Excess (deficiency) of revenues over (under) expenditures	699,227	(2,584,024)	49,411	309,053	7,202	(9,913,453)	(422,022)	(11,854,606

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Other Financing Sources (Uses)								
Transfers in	$ 343,558	$ 2,691,921	$ 371	$ -0-	$ -0-	$ 7,396,817	$ 101,805	$ 10,534,472
Capital lease proceeds	-0-	-0-	-0-	-0-	-0-	2,000,000	-0-	2,000,000
Transfers (out)	(7,434,128)	(254,501)	(49,782)	-0-	(2,796,061)	-0-	-0-	(10,534,472
Total other financing sources (uses)	(7,090,570)	2,437,420	(49,411)	-0-	(2,796,061)	9,396,817	101,805	2,000,000
Net change in fund balances	(6,391,343)	(146,604)	-0-	309,053	(2,788,859)	(516,636)	(320,217)	(9,854,606
Fund balances – beginning	2,938,599	106,251	-0-	2,124,969	2,802,302	9,791,157	340,555	18,103,833
Restatement of fund balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund balances – beginning, as restated	2,938,599	106,251	-0-	2,124,969	2,802,302	9,791,157	340,555	18,103,833
Fund balances (deficit) – ending	$(3,452,744)	$(40,353)	$ -0-	$ 2,434,022	$ 13,443	$ 9,274,521	$ 20,338	$ 8,249,227

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

Amounts reported for governmental activities in the statement of activities are different due to:	
Net change in fund balances – total governmental funds	$ (9,854,606)
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	(4,366,685)
Capital outlays	13,461,396
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.	(647,090)
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.	1,827,448
Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net assets in the statement of activities.	
Cost of assets disposed	(761,952)
Accumulated depreciation of assets disposed	740,028
Compensated absences are reported as liabilities in the statement of net assets, but are only reported in governmental funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.	
Accrued vacation payable	59,663
Accrued sick leave payable	-0-
Capital lease proceeds are reported as liabilities in the statement of net assets instead of net assets instead of as financing transfers in the governmental activities.	(2,000,000)
Accrued interest is required to be reported as a liability in the statement of net assets of the district wide financial statements. The following represents the change in accrued interest receivable for the year.	12,507
Change in net assets of governmental activities.	$ (1,529,291)

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2011

	Agency Funds School Activity Funds
ASSETS	
Cash and cash equivalents	$ 2,059,805
TOTAL ASSETS	$ 2,059,805
LIABILITIES	
Due to other funds	$ 2,059,805
TOTAL LIABILITIES	$ 2,059,805

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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 Monongalia 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 (as amended by GASB Statement 39) establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the 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 amended by GASB Statement 39) 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.

The accompanying independent auditor's report is an integral part of these notes.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The ***fund financial statements*** provide information about the individual funds maintained by the School Board. All funds maintained by the school 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.

The accompanying independent auditor's report is an integral part of these notes.

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, 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 accompanying independent auditor's report is an integral part of these notes.

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 in the appropriate fund balance category (restricted, committed or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2011 were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

The accompanying independent auditor's report is an integral part of these notes.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Investments of the Board at June 30, 2011 consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
Municipal Bond Commission	$ 2,109,398	$ 2,109,398	$ 2,109,398
Certificate of deposit	5,000	5,000	5,000
Total investments	$ 2,114,398	$ 2,114,398	$ 2,114,398

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the Board's name. 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, 2011, the Board has $2,109,398 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.

The accompanying independent auditor's report is an integral part of these notes.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues. The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2011, the Pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by $391,993 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund Receivables and Payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The accompanying independent auditor's report is an integral part of these notes.

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:

It is the Board's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation benefits may be accumulated up to thirty days and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred as compensated absences.

The accompanying independent auditor's report is an integral part of these notes.

K. Other Post Employment Benefits (OPEB):

It is the Board's policy to permit employees to accumulate earned but unused sick leave benefits. Sick leave benefits can be accumulated up to an unlimited number of days and carried forward to the subsequent fiscal year. In lieu of a cash payment at retirement, an employee can elect to use accumulated sick leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest. This liability is calculated as part of the Board's OPEB liability. See Note 10 for further discussion.

L. Long-term Obligations:

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

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, 2011.

The accompanying independent auditor's report is an integral part of these notes.

Effective July 1, 2010, the Board adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes new standards of accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member School Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2011. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

The accompanying independent auditor's report is an integral part of these notes.

N. Net Assets:

Net assets are classified into four categories according to external donor restrictions or availability of assets for satisfaction of Board obligations. The Board's net assets are classified as follows:

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

- **Restricted net assets, expendable** – This includes resources in which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- **Restricted net assets, nonexpendable** – This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. The Board does not have any restricted nonexpendable assets at June 30, 2011.

- **Unrestricted net assets** – This represents resources derived from other than capital assets or restricted net assets. These resources are used for transactions relating to the general operation of the Board, and may be used at the discretion of the Board to meet current expenses for any lawful purpose.

O. 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.

The accompanying independent auditor's report is an integral part of these notes.

P. 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.

Q. Restricted Resources:

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unassigned.

Note 2 - 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 (pay-as-you go) amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State 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.

The accompanying independent auditor's report is an integral part of these notes.

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. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2011, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Function	General Current Expense Fund	Special Revenue Fund
X11XX	$ 11,893,141	$ -0-
X21XX	1,127,223	-0-
X22XX	632,256	-0-
X23XX	58,739	-0-
X24XX	1,500,281	-0-
X25XX	231,163	-0-
X26XX	506,630	490
X27XX	991,412	-0-
X31XX	765,940	94,813
X45XX	6,038	-0-

The above over expenditures in the General Current Expense Fund were caused entirely by the journal entries to book the OPEB Liability and the unfunded retirement on-behalf payment for fiscal year FY11 which were not required to be budgeted. The overexpenditures in the Special Revenue Fund programs were funded by available beginning fund balance and/or revenues received in excess of the anticipated amounts budgeted.

The accompanying independent auditor's report is an integral part of these notes.

C. Deficiencies in Net Changes in Fund Balances:

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
General Current Expense Fund	$ 6,391,343
Special Revenue Fund	146,604
Bond Construction Fund	2,788,859
Permanent Improvement Fund	(516,636)
Capital Projects Fund	320,217

The following fund had a deficit fund balance:

Fund	Amount
General Current Expense Fund	$ 3,452,744
Special Revenue Fund	40,353

The deficiency in the General Fund was primarily caused by the liability of $20.6 million for the annual required contribution portion of OPEB liability. Funds sufficient to provide for the excess expenditures for the other Funds were made available from other sources within each Fund and the deficiency had no impact on the financial results of the Funds.

Note 3 - Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 24 – As of July 1, 2010, the Board implemented GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This statement requires the Board to record as a revenue and expenditure on behalf payments made by the State to the Consolidated Public Retirement Board for the unfunded liability of the Teachers Retirement System and disclose those amounts in the accompanying notes to the financial statements.

The accompanying independent auditor's report is an integral part of these notes.

GASB 54 – As of July 1, 2010, the Board implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the terminology used to describe fund balances in the governmental funds and expanded the disclosure of those new definitions in the accompanying notes to the financial statements of the Board for the year ended June 30, 2011.

Note 4 - Risk Management:

The Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third-party liability claims.

Public Employees Insurance Agency (PEIA): The Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Members may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third party insurer.

The accompanying independent auditor's report is an integral part of these notes.

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.

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.

The accompanying independent auditor's report is an integral part of these notes.

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, 2011 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ -0-	19.40¢	17.21¢	2.81¢
Class II	1,559,982,982	38.80¢	34.42¢	5.62¢
Class III	1,706,934,100	77.60¢	68.84¢	11.24¢
Class IV	824,199,337	77.60¢	68.84¢	11.24¢

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.

The accompanying independent auditor's report is an integral part of these notes.

Note 6. - Excess Levy

The Board had an excess levy in effect during the fiscal year ended June 30, 2011. The levy was authorized by the voters of the county at an election held on November 7, 2006 for the fiscal years ended June 30, 2008 through June 30, 2012 to provide funds for the following purposes:

Instructional materials, supplies, services, textbooks, equipment, physical education and duplication services, approximately $1,100,000 annually;

Equipment, supplies and services in accordance with the Monongalia County technology plan, approximately $750,000 annually;

Library/media center books, supplies, equipment and services, approximately $92,000 annually;

Materials, equipment, supplies and services for programs in general, instrumental and vocal music, art and drama, approximately $120,000 annually;

Math/science supplies, equipment and services for classrooms and laboratories, approximately $70,000 annually;

Supplies and equipment to supplement the Monongalia County Technical Education Center programs, approximately $75,000 annually;

Supplies, services and equipment to supplement pupil services, community schools, after school programs, summer programs, Law Enforcement, alternative education and health services, approximately $900,000 annually;

Extracurricular activities including, but not limited to, recreation programs, athletics, academic programs and services, and upgrade athletic facilities and playgrounds, approximately $875,000 annually;

Salary, supplies and travel for County 4-H program support, approximately $20,000 annually;

Supplement the student services provided by the Monongalia County public libraries, approximately $20,000 annually;

Repair, maintenance and improvements to buildings, facilities and equipment and to meet existing local, state and federal regulations and codes including, but not limited to, fire marshal, health department, Department of Environmental Protection and Americans with Disabilities Act, approximately $1,250,000 annually;

The accompanying independent auditor's report is an integral part of these notes.

Supplement professional personnel and service personnel salaries and benefits, staff to address enrollment increases and/or reduced teacher/student ratio, an elective program grades 9-12, and for non-funded professional and service personnel mandates, approximately $9,194,074 annually;

Materials, supplies, services, security and equipment for the operation of facilities, approximately $1,150,000 annually;

Pupil transportation services including, but not limited to, the acquisition, operation, maintenance and repair of school buses, approximately $450,000 annually;

A total of $22,438,977 was received by the Board from the excess levy during the fiscal year ended June 30, 2011.

Note 7 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2011, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	$ 3,803,702	$ 2,896,744	$ (100)	$ 6,700,346
Construction in process	3,554,181	8,219,174	(8,360,879)	3,412,476
Total non-depreciable capital assets	7,357,883	11,115,918	(8,360,979)	10,112,822
Capital assets, depreciable:				
Buildings and improvements	161,115,334	8,629,273	(181,509)	169,563,098
Land improvements	2,116,374	266,152	-0-	2,382,526
Furniture and equipment	14,588,487	767,297	(45,572)	15,310,212
Vehicles	7,936,430	1,043,635	(534,771)	8,445,294
Total depreciable capital assets	185,756,625	10,706,357	(761,852)	195,701,130
Less accumulated depreciation for:				
Buildings and improvements	(33,978,185)	(3,263,121)	165,384	(37,075,922)
Land improvements	(1,503,071)	(79,288)	-0-	(1,582,359)
Furniture and equipment	(12,040,273)	(503,512)	39,873	(12,503,912)
Vehicles	(5,254,091)	(520,764)	534,771	(5,240,084)
Total accumulated depreciation	(52,775,620)	(4,366,685)	740,028	(56,402,277)
Total depreciable capital assets, net	132,981,005	6,339,672	(21,824)	139,298,853
Total capital assets, net	$ 140,338,888	$ 17,455,590	$ (8,382,803)	$ 149,411,675

The accompanying independent auditor's report is an integral part of these notes.

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

Instruction	$ 3,138,405
Supporting Services:	
Student support services	238,363
Central administration	8,452
School administration	174,956
Operation and maintenance of facilities	86,850
Transportation	445,765
Food services	273,894
Total depreciation expense – governmental activities	$ 4,366,685

Note 8 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Amounts due within one year	Amounts due past one year
General obligation debt	$ 45,040,000	$ -0-	$ 1,135,000	$ 43,905,000	$ 1,190,000	$ 42,715,000
Compensated absences	686,484	-0-	59,663	626,821	626,821	-0-
Capital lease payable	5,101,337	2,000,000	692,448	6,408,889	866,078	5,542,811
Long-term liabilities	$ 50,827,821	$ 2,000,000	$ 1,887,111	$ 50,940,710	$ 2,682,899	$ 48,257,811

General Obligation Bonds – General obligation bonds payable at June 30, 2011, with their outstanding balance are comprised of the following individual issues:

Bond Issue of 2004	$ 45,040,000

The accompanying independent auditor's report is an integral part of these notes.

On May 1, 2004, the Board issued $50,000,000 in general obligation bonds to provide funds for the purpose of providing adequate, safe and convenient educational facilities for the school district. The bonds mature in varying annual increments through May 1, 2033 and interest is payable semiannually at 4.00-6.00%. Payments on the general obligation bonds payable during the year were made from the debt service fund. The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	$ 1,190,000	$ 2,183,350	$ 3,373,350
2013	1,245,000	2,135,750	3,380,750
2014	1,300,000	2,073,500	3,373,500
2015	1,360,000	2,008,500	3,368,500
2016	1,425,000	1,940,500	3,365,500
2017	1,490,000	1,869,250	3,359,250
2018	1,560,000	1,794,750	3,354,750
2019	1,635,000	1,716,750	3,351,750
2020	1,710,000	1,635,000	3,345,000
2021	1,790,000	1,549,500	3,339,500
2022	1,870,000	1,460,000	3,330,000
2023	1,960,000	1,366,500	3,326,500
2024	2,050,000	1,268,500	3,318,500
2025	2,145,000	1,166,000	3,311,000
2026	2,245,000	1,058,750	3,303,750
2027	2,350,000	946,500	3,296,500
2028	2,460,000	829,000	3,289,000
2029	2,575,000	706,000	3,281,000
2030	2,690,000	577,250	3,267,250
2031	2,820,000	442,750	3,262,750
2032	2,950,000	301,750	3,251,750
2033	3,085,000	154,250	3,239,250
Total	$ 43,905,000	$ 29,184,100	$ 73,089,100

Total bonded indebtedness at July 1, 2010	$ 45,040,000
Issuances	-0-
Maturities	1,135,000
Total bonded indebtedness at June 30, 2011	$ 43,905,000

The accompanying independent auditor's report is an integral part of these notes.

Of the total amount required to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments, the following summarizes the current and long-term portions:

Total bonded payable at June 30, 2011	$ 43,905,000
Less: Current portion	1,190,000
Long-term bonds payable	$ 42,715,000

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 noncancelable for financial reporting purposes. Other leases, principally for equipment, are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Operating lease expenditures for the year ended June 30, 2011 were $156,096.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby HVAC equipment has been installed in two schools. The equipment is leased for a period of ten years beginning July 12, 2006. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2011, are as follows:

Year	
2012	$ 635,377
2013	635,377
2014	635,377
2015	635,377
2016	264,741
Less: Amount representing interest	354,251
Present value of minimum lease payments	$ 2,451,998

The accompanying independent auditor's report is an integral part of these notes.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for Suncrest Middle School equipment and those assets are leased from Bank of America for a period of fifteen years beginning June 16, 2003. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year Ended June 30,	
2012	$ 22,413
2013	22,413
2014	22,413
2015	22,413
2016	22,413
2017	22,413
2018	22,413
Present value of minimum lease payments	$ 156,891

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for renovation of classrooms, asbestos abatement and the redesign of existing classrooms at Cheat Lake Elementary School and those assets are leased from Clear Mountain Bank, Inc. for a period of ten years beginning December 17, 2009. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The accompanying independent auditor's report is an integral part of these notes.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year	
2012	$ 200,000
2013	200,000
2014	200,000
2015	200,000
2016	200,000
2017	200,000
2018	200,000
2019	200,000
2020	200,000
Present value minimum lease payments	$ 1,800,000

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for energy conservation equipment in various schools within the county and those assets are leased from Centra Bank, Inc. for a period of ten years beginning May 3, 2011. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The accompanying independent auditor's report is an integral part of these notes.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year	
2012	$ 133,000
2013	133,000
2014	133,000
2015	133,000
2016	133,000
2017	133,000
2018	133,000
2019	133,000
2020	133,000
2021	133,000
2022	134,000
2023	134,000
2024	134,000
2025	134,000
2026	134,000
Present value minimum lease payments	$ 2,000,000

The assets acquired through capital leases are as follows:

Assets, net of accumulated depreciation:	
Furniture and equipment	$ 4,300,000
Total assets, net accumulated depreciation	$ 4,300,000

The accompanying independent auditor's report is an integral part of these notes.

The following is a summary of the future minimum required lease payments by year under operating leases as of June 30, 2011:

Year	
2012	$ 273,000
2013	273,000
2014	273,000
Total minimum lease payments	$ 819,000

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, 2011, the Board's total payroll for all employees was $63,316,230 and the payroll was $59,812,196 for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to the employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as state revenue (Contributions For/On Behalf of the LEA) in the Board's financial statements. The balance is considered to be the State's contribution toward the past service unfunded liability and is not included either as a revenue or an expenditure in the Board's financial statements.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

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.

The accompanying independent auditor's report is an integral part of these notes.

Teachers' Defined Benefit Retirement System:

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2010 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $4.8 billion as of July 1, 2010.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The accompanying independent auditor's report is an integral part of these notes.

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2010, and the two previous years were:

Year ended June 30,	2009	2010	2011
Required contributions	$ 404,547,000	$ 487,886,000	$ 471,171,000
Percent of current year covered payroll	25.89 %	29.57 %	28.55 %

The financial statements include amounts paid for/on behalf of the county by the State of West Virginia for the unfunded liability portion of retirement benefits. The for/on behalf payment for the year ended June 30, 2011 was $12,611,060.

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2011 were:

Employees' contributions (6%)	$ 3,193,103
Employer's contributions (15% or 7.5%)	5,377,882
Total contributions	$ 8,570,985

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.

The accompanying independent auditor's report is an integral part of these notes.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Orchard SecureFoundation Balanced, Orchard Lifetime 2015 Fund II, Orchard Lifetime 2025 Fund II, Orchard Lifetime 2035 Fund II, Orchard Lifetime 2045 Fund II, Orchard Lifetime 2055 Fund II, American Funds EuroPacific R5, Mutual Global Discovery Fund – Z, Heartland Value Plus Inst, Sentinel Small Company I, Vanguard Small-Cap Index Fund – Inv, Scout Mid Cap, Westcore Select, JHancock Large Cap Equity I, Putnam Equity Income Y, Vanguard Large Cap Index Inv, PIMCO Total Return Fund – Admin, TIAA-CREF High-Yield Inst, Vanguard Interm-Term Bond Index Fund and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2010, this plan had approximately $260 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 FY 2011 were:

Employees' contributions (4.5%)	$ 296,729
Employer's contributions (7.5%)	494,547
Total contributions	$ 791,276

The accompanying independent auditor's report is an integral part of these notes.

Note 11 – Other Post Employment Benefits Liability:

The Governmental Accounting Standards Board (GASB) issued Statement 45 in 2004 to establish standards for the measurement, recognition, and reporting of OPEB expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: Those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

The accompanying independent auditor's report is an integral part of these notes.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teachers' Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2011 was determined to be:

	Total	Amount/ Policy Holder
Total annual required contribution	$ 816,274,000	$ 10,844
Pay as you go – retiree subsidy	(145,671,196)	(1,935)
Remaining ARC	$ 670,602,804	$ 8,909

The following summarizes the Board's OPEB activity:

OPEB liability at July 1	$ 11,265,572
Total OPEB expense	11,823,480
Less:	
State appropriation allocation	-0-
Pay as you go payments and other credits	2,471,256
OPEB liability at year end	$ 20,617,796

The accompanying independent auditor's report is an integral part of these notes.

Of the total liability, the Board believes that the State share of the liability is approximately $18.1 million and the Board's share for employees over the formula and federally funded employees is approximately $2.5 million. It is the opinion of the Board that the State is constitutionally required to appropriate sufficient funds to cover the cost of the ARC for personnel funded through the Public School Support Program (PSSP), however, no additional funds have been appropriated for this purpose as of the date of this report. Furthermore, the Board has elected, pursuant to the provisions of WVC 5-16D-6, not to remit to the RHBT any amount in excess of the minimum annual required premium payment.

Note 12 - Interfund Balances and Transfers

The composition of interfund balances as of June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Current Expense Fund	Special Revenue	$ 26,731
General Current Expense Fund	Special Revenue ARRA	$ 369,492

Interfund Transfers

During the year ended June 30, 2011, the General Current Expense fund transferred $4,600,756 to the Permanent Improvement fund, which represents a funding of capital projects and Growth Counties Facilities Act funds.

During the year ended June 30, 2011, the Bond Construction fund transferred $2,796,061 to the Permanent Improvement fund, for the funding of various capital projects.

During the year ended June 30, 2011, the General Current Expense fund transferred $101,805 to the Capital Projects fund, which represents a funding of capital projects.

During the year ended June 30, 2011, the General Current Expense fund transferred $2,691,921 to the Special Revenue fund, which represents the board contribution to various projects. The largest of these projects was the food service program.

The accompanying independent auditor's report is an integral part of these notes.

During the year ended June 30, 2011, the Special Revenue ARRA fund transferred $49,782 to the General Current Expense fund, which represents indirect costs.

During the year ended June 30, 2011, the Special Revenue fund transferred $254,501 to the General Current Expense fund, which represents indirect costs.

Note 13 - Fund Balance

The detailed components of the various fund balance categories as of June 30, 2011 are as follows:

Fund Balance	General Current Expense Fund	Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Nonspendable:							
Prepaid items	$ 181,629	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 181,629
Restricted for:							
Capital projects	-0-	-0-	-0-	13,443	9,760,942	20,338	9,794,723
Debt service	-0-	-0-	2,434,022	-0-	-0-	-0-	2,434,022
Excess levies	1,399,448	-0-	-0-	-0-	-0-	-0-	1,399,448
Committed to:							
See note 14	1,272,784	-0-	-0-	-0-	-0-	-0-	1,272,784
Assigned to:							
Unassigned	(6,306,605)	(40,353)	-0-	-0-	(486,421)	-0-	(6,833,379)
Total fund balance	$(3,452,744)	$(40,353)	$ 2,434,022	$ 13,443	$ 9,274,521	$ 20,338	$ 8,249,227

Note 14 – Assigned Fund Balance:

The Board has designated a portion of the unassigned balance of the General Current Expense Fund at June 30, 2011 to be expended for the following purposes:

Purpose	Amount
Pepsi Contract	$ 65,125
School Wellness Program	3,145
Federal Unemployment Escrow	99,407
MHS – B&O Taxes	54,417
Local Project Bus Garage	2
Gym Rental	396
Local Project Eastwood	24
Dorsey Read Aloud	4,351
Technology E-Rate	667,630

The accompanying independent auditor's report is an integral part of these notes.

Purpose	Amount
Suncrest Middle Tutoring	$ 306
Local Project	9,300
Three Tier Funding	83
E. Lombardi Special Education Award	6,005
WV on the Move – Mylan Park	38
Special Education	1,044
OT/PT Seminar Acct	2,001
PDS CLM/Ridgedale	2,869
Playground	30,000
Local Project	294
Local Project	1
Energy Express Donations	17
Transportation Donations	5
MHS Distance Education	336
Medicaid	221,783
Local Project Playgrounds	10,391
WV High Tech Consortium	13,605
Math Connections – S. Corder	268
SREB/CBHS	1
RESA Grant – Special Education	5
Mylan – North	2,039
Three Tier Funding	4,258
BTG Donations	31
Technology/Computers	1
Three Tier Funding	15,248
Budget Digest	2,972
School Health Hand Washing	57
Heb B	4,609
Benedum Teacher Ed	50,720
Total unreserved fund balance – designated/assigned	$ 1,272,784

The accompanying independent auditor's report is an integral part of these notes.

Note 15 - Commitments, Contingencies and Subsequent Events:

The Board had encumbrances totaling $6,961,808 as of June 30, 2011 in the following funds:

General Current Expense Fund	Special Revenue Fund	Special Revenue – ARRA Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund
$ 313,697	$ 115,072	$ 11,414	$ -0-	$ 13,444	$ 6,487,843	$ 20,338

Encumbrances, to the extent they do not create a negative assigned fund balance are classified as Restricted, Committed, or Assigned fund balance depending on the specific purpose of the encumbrance.

As of June 30, 2011 the following commitments for construction and other capital improvements existed, which are included in the total amount of encumbrances reflected in the accompanying financial statements:

Construction of a new elementary school, renovations and additions to existing schools	$ 9,794,724

Subsequent to June 30, 2011, the following additional commitments for construction and other capital improvements have been entered into:

Construction of a new elementary school	$ 12,911,210

Note 16 - 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.

The accompanying independent auditor's report is an integral part of these notes.

Note 17 - Major Sources of Revenue:

The largest single source of revenue received by the Board is state aid funds through the Public School Support Program. In addition, the Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the Board's independent auditor and state and federal regulatory agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

Note 18 – Evaluation of Subsequent Events:

The Board of Education's management has evaluated subsequent events through March 11, 2012, the date which the financial statements were available to be issued.

The accompanying independent auditor's report is an integral part of these notes.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL CURRENT EXPENSE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Property taxes	$ 44,069,290	$ 46,473,333	$ 46,918,055	$ 444,722
Other Local sources	465,000	972,608	1,042,394	69,786
State sources	43,617,900	44,258,495	56,932,296	12,673,801
Federal sources	750,000	1,098,637	1,236,854	138,217
Miscellaneous sources	-0-	158,016	158,516	500
Total revenues	88,902,190	92,961,089	106,288,115	13,327,026
Expenditures				
Instruction	50,419,650	49,427,589	61,320,730	(11,893,141)
Supporting services:				
Students	4,842,130	4,914,621	6,041,844	(1,127,223)
Instructional staff	2,061,930	1,754,382	2,386,638	(632,256)
Central administration	1,487,070	1,417,144	1,475,883	(58,739)
School administration	4,766,530	5,165,232	6,665,513	(1,500,281)
Business	1,663,730	1,603,628	1,834,791	(231,163)
Operation and maintenance of facilities	11,734,090	13,511,590	14,018,220	(506,630)
Student transportation	6,713,770	8,048,063	9,039,475	(991,412)
Food services	-0-	-0-	765,940	(765,940)
Community services	170,570	1,090,145	1,087,823	2,322
Capital outlay	-0-	66,070	57,959	8,111
Debt service:				
Principal retirement	857,790	894,090	894,072	18
Interest and fiscal charges	-0-	-0-	-0-	-0-
Reserved for contingencies	-0-	-0-	-0-	-0-
Total expenditures	84,717,260	87,892,554	105,588,888	(17,696,334)
Excess (deficiency) of revenues over (under) expenditures	4,184,930	5,068,535	699,227	(4,369,308)

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL CURRENT EXPENSE FUND (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Other Financing Sources (Uses)				
Transfers in	$ -0-	$ 57,343	$ 343,558	$ 286,215
Capital lease proceeds	-0-	-0-	-0-	-0-
Transfers (out)	(4,534,930)	(7,834,137)	(7,434,128)	400,009
Total other financing sources (uses)	(4,534,930)	(7,776,794)	(7,090,570)	686,224
Change in fund balances	(350,000)	(2,708,259)	(6,391,343)	(3,683,084)
Fund balances – beginning	350,000	2,708,259	2,938,599	230,340
Fund balances (deficit) – ending	$ -0-	$ -0-	$ (3,452,744)	$ (3,452,744)

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues				
Local sources	$ 1,456,620	$ 2,234,148	$ 1,520,925	$ (713,223)
State sources	3,613,100	4,924,451	4,150,307	(774,144)
Federal sources	7,410,910	15,579,161	11,462,903	(4,116,258)
Miscellaneous sources	-0-	17,841	-0-	(17,841)
Total revenues	12,480,630	22,755,601	17,134,135	(5,621,466)
Expenditures				
Instruction	7,076,140	13,419,191	11,246,649	2,172,542
Supporting services:				
Students	400,090	533,084	421,202	111,882
Instructional staff	337,340	966,131	722,384	243,747
Central administration	-0-	177,179	167,926	9,253
School administration	-0-	70,465	70,221	244
Business	10,310	79,131	61,202	17,929
Operation and maintenance of facilities	1,200	65,876	66,366	(490)
Student transportation	1,066,700	1,208,223	1,069,100	139,123
Food services	5,517,490	5,637,686	5,879,590	(241,904)
Community services	-0-	13,659	13,519	140
Capital outlay	-0-	2,072	-0-	2,072
Reserved for Special Projects	160,280	89,730	-0-	89,730
Total expenditures	14,569,550	22,262,427	19,718,159	2,544,268
Excess (deficiency) of revenues over (under) expenditures	(2,088,920)	493,174	(2,584,024)	(3,077,198)
Other Financing Sources (Uses)				
Transfers in	2,217,970	2,227,970	2,691,921	463,951
Transfers (out)	(139,380)	(298,537)	(254,501)	44,036
Total other financing sources (uses)	2,078,590	1,929,433	2,437,420	507,987
Change in fund balances	(10,330)	2,422,607	(146,604)	(2,569,211)
Fund balance – beginning	10,330	(2,422,607)	106,251	2,528,858
Fund balances (deficit) – ending	$ -0-	$ -0-	$ (40,353)	$ (40,353)

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues				
Federal sources	$ 3,236,650	$ 7,813,867	$ 5,065,907	$ (2,747,960)
Total revenues	3,236,650	7,813,867	5,065,907	(2,747,960)
Expenditures				
Instruction	3,236,650	6,812,056	4,763,433	2,048,623
Supporting services:				
Students	-0-	194,819	134,886	59,933
Instructional staff	-0-	101,410	97,400	4,010
Central administration	-0-	2,821	2,821	-0-
Operation and maintenance of facilities	-0-	74,810	-0-	74,810
Students transportation	-0-	58,563	17,956	40,607
Total expenditures	3,236,650	7,244,479	5,016,496	2,227,983
Excess (deficiency) of revenues over (under) expenditures	-0-	569,388	49,411	(519,977)
Other Financing Sources (Uses):				
Transfers in	-0-	-0-	371	371
Transfers (out)	-0-	(131,616)	(49,782)	81,834
Total other financing sources (uses)	-0-	(131,616)	(49,411)	82,205
Changes in fund balances	-0-	437,772	-0-	(437,772)
Fund balances – beginning	-0-	(437,772)	-0-	437,772
Fund balances – ending	$ -0-	$ -0-	$ -0-	$ -0-

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues				
Local sources	$ 3,386,450	$ 3,386,450	$ 3,689,765	$ 303,315
State sources	-0-	-0-	8,038	8,038
Miscellaneous sources	-0-	-0-	-0-	-0-
Total revenues	3,386,450	3,386,450	3,697,803	311,353
Expenditures				
Debt Service:				
Principal retirement	1,135,000	1,135,000	1,135,000	-0-
Reserve for contingencies	-0-	-0-	-0-	-0-
Interest and fiscal charges	2,351,450	4,476,419	2,253,750	2,222,669
Total expenditures	3,486,450	5,611,419	3,388,750	2,222,669
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(2,224,969)	309,053	2,534,022
Other Financing Sources (Uses)				
Transfers in	-0-	-0-	-0-	-0-
Transfers (out)	-0-	-0-	-0-	-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Change in fund balances	(100,000)	(2,224,969)	309,053	2,534,022
Fund balances – beginning	100,000	2,224,969	2,124,969	(100,000)
Fund balances – ending	$ -0-	$ -0-	$ 2,434,022	$ 2,434,022

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS - BOND CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Miscellaneous sources	$ -0-	$ 98,300	$ 7,202	$ (91,098)
Total revenues	-0-	98,300	7,202	(91,098)
Expenditures				
Capital outlay	-0-	346,565	-0-	346,565
Total expenditures	-0-	346,565	-0-	346,565
Excess (deficiency) of revenues over (under) expenditures	-0-	(248,265)	7,202	255,467
Other Financing Sources (Uses)				
Transfers in	-0-	-0-	-0-	-0-
Transfers (out)	-0-	(2,554,037)	(2,796,061)	(242,024)
Total other financing sources (uses)	-0-	(2,554,037)	(2,796,061)	(242,024)
Change in fund balance	-0-	(2,802,302)	(2,788,859)	13,443
Fund balances – beginning	-0-	2,802,302	2,802,302	-0-
Restatement of fund balance	-0-	-0-	-0-	-0-
Fund balances – beginning, as restated	-0-	2,802,302	2,802,302	-0-
Fund balances – ending	$ -0-	$ -0-	$ 13,443	$ 13,443

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS - PERMANENT IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues				
Other local sources	$ -0-	$ 1,200,000	$ -0-	$ (1,200,000)
State sources	-0-	9,033,971	1,200,050	(7,833,921)
Total revenues	-0-	10,233,971	1,200,050	(9,033,921)
Expenditures				
Central administration	-0-	-0-	350	(350)
Capital outlay	-0-	28,611,847	11,113,153	17,498,694
Total expenditures	-0-	28,611,847	11,113,503	17,498,344
Excess (deficiency) of revenues over (under) expenditures	-0-	(18,377,876)	(9,913,453)	8,464,423
Other Financing Sources (Uses)				
Transfers in	1,582,590	9,154,795	7,396,817	(1,757,978)
Capital lease proceeds	-0-	-0-	2,000,000	2,000,000
Transfers (out)	(3,582,590)	(568,076)	-0-	568,076
Total other financing sources (uses)	(2,000,000)	8,586,719	9,396,817	810,098
Change in fund balances	(2,000,000)	(9,791,157)	(516,636)	9,274,521
Fund balances – beginning	2,000,000	9,791,157	9,791,157	-0-
Fund balances – ending	$ -0-	$ -0-	$ 9,274,521	$ 9,274,521

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Other local sources	$ -0-	$ -0-	$ -0-	$ -0-
State sources	-0-	-0-	-0-	-0-
Total revenues	-0-	-0-	-0-	-0-
Expenditures				
Capital outlay	-0-	442,360	422,022	20,338
Operation and maintenance of facilities	-0-	-0-	-0-	-0-
Total expenditures	-0-	442,360	422,022	20,338
Excess (deficiency) of revenues over (under) expenditures	-0-	(442,360)	(422,022)	20,338
Other Financing Sources (Uses):				
Transfers in	-0-	101,805	101,805	-0-
Transfers (out)	-0-	-0-	-0-	-0-
Total other financing sources (uses)	-0-	101,805	101,805	-0-
Change in fund balances	-0-	(340,555)	(320,217)	20,338
Fund balances – beginning	-0-	340,555	340,555	-0-
Fund balances – ending	$ -0-	$ -0-	$ 20,338	$ 20,338

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Cash Balance 7/1/2010	Revenues Received	Expenditures Paid	Cash Balance 6/30/2011
High Schools:				
Clay Battelle High	$ 152,144	$ 153,922	$ 134,235	$ 171,831
Morgantown High	302,468	497,850	463,362	336,956
University High	360,917	470,833	468,503	363,247
Tech Ed Center/Adult	432,262	740,019	709,889	462,392
Tech Ed Center/General	41,455	52,223	43,972	49,706
Tech Ed Center/Comm Schools	184,698	47,944	24,117	208,525
Total High Schools	1,473,944	1,962,791	1,844,078	1,592,657
Middle and Junior High Schools:				
Cheat Lake Middle	41,536	122,364	116,522	47,378
South Middle	46,866	102,455	107,896	41,425
Suncrest Middle	98,269	97,815	107,098	88,986
Westwood Middle	31,405	115,713	120,532	26,586
Total Middle and Junior High Schools	218,076	438,347	452,048	204,375
Elementary Schools:				
Brookhaven Elementary	22,065	39,188	40,326	20,927
Cheat Lake Elementary	34,524	63,725	74,593	23,656
Easton Elementary	6,172	21,532	18,290	9,414
Mason Dixon Elementary	28,278	36,535	35,782	29,031
Mountainview Elementary	17,691	56,041	53,407	20,325
Mylan Park Elementary	27,163	53,182	60,538	19,807
North Elementary	28,792	79,377	79,479	28,690
Ridgedale Elementary	28,134	25,758	22,350	31,542
Skyview Elementary	31,429	38,720	40,943	29,206
Suncrest Primary	29,131	10,386	10,901	28,616
Woodburn Elementary	12,413	25,614	16,468	21,559
Total Elementary Schools	265,792	450,058	453,077	262,773
Total – All Schools	$ 1,957,812	$ 2,851,196	$ 2,749,203	$ 2,059,805

The accompanying independent auditor's report and notes are an integral part of these financial statements.

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

To the Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

We have audited the financial statements of the governmental activities and each major fund, of the Monongalia County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Monongalia County Board of Education's basic financial statements and have issued our report thereon dated March 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Monongalia County 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 Monongalia County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Monongalia County Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monongalia County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Monongalia County Board of Education in a separate letter dated March 11, 2012.

This report is intended solely for the information and use of the Board Members, the West Virginia State Auditor's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Tetrick & Bartlett, PLLC

March 11, 2012

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

To The Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

Compliance

We have audited Monongalia County Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Monongalia County Board of Education's major federal programs for the year ended June 30, 2011. Monongalia County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Monongalia County Board of Education's management. Our responsibility is to express an opinion on Monongalia County Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Monongalia County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Monongalia County Board of Education's compliance with those requirements.

In our opinion, the Monongalia County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Monongalia County 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 Monongalia County Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Monongalia County Board of Education's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Monongalia County Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Monongalia Board of Education's responses and, accordingly, we express no opinion on the responses.

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

Tetrick & Bartlett, PLLC

March 11, 2012

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

A. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

U.S. Department of Agriculture
Child Nutrition Cluster:

Passed-Through the West Virginia Department of Education	
School Breakfast Program	CFDA #10.553
National School Lunch Program	CFDA #10.555
Summer Food Service Program for Children	CFDA #10.559

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

U.S. Department of Education	
Title I, Part A Cluster	
Title I Grants to Local Educational Agencies	CFDA #84.010
ARRA – Title I Grants to Local Educational Agencies	CFDA #84.389
Special Education Cluster:	
Special Education – Grants to States	CFDA #84.027
Special Education – Preschool Grants	CFDA #84.173
ARRA – Special Education – Grants to States	CFDA #84.391
ARRA – Special Education – Preschool Grants	CFDA #84.392
State Fiscal Stabilization Fund Cluster:	
ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants	CFDA #84.394
ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services	CFDA #84.397
Improving Teacher Quality State Grants	CFDA #84.367
Federal Pell Grant Program	CFDA #84.063
Educational Technology State Grants Cluster:	
Education Technology State Grants	CFDA #84.318
ARRA – Education Technology State Grants	CFDA #84.386
Head Start Cluster:	
Head Start	CFDA #93.600
ARRA – Head Start	CFDA #93.708

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

B. Findings - Financial Statements Audit

None

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Pass through West Virginia Department of Education			
Child Nutrition Cluster:			
Passed-through West Virginia Department of Agriculture - Food Donation – National School Lunch Program	10.555	88	$ 319,055
Passed-through West Virginia Department of Education			
School Breakfast Program	10.553	88	438,566
National School Lunch Program	10.555	88	1,417,719
Summer Food Service Program for Children	10.559	88	48,266
Total U.S. Department of Agriculture			$ 2,223,606
U.S. Department of Defense			
Passed-through West Virginia Department of Education			
Mathematical Sciences Grants Program	12.901	49	$ 32,487
Total U.S. Department of Defense			$ 32,487

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Program Title			
Passed-Through Fairmont State University			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	49	$ 204,451
Pass-through West Virginia Department of Education			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	41	2,366,834
ARRA – Title I Grants to Local Educational Agencies	84.389	41	261,552
Special Education Cluster:			
Special Education – Grants to States	84.027	43	2,470,117
Special Education – Preschool Grants	84.173	43	61,502
ARRA – Special Education – Grants to States	84.391	43	1,274,672
ARRA – Special Education – Preschool Grants	84.392	43	41,932
Adult Education – Basic Grants to States	84.002	61	295,191
Career and Technical Education – Basic Grants to States	84.048	50	132,604
Federal Pell Grant Program	84.063	N/A	332,446
Safe and Drug-Free Schools and Communities – State Grants	84.186	48	4,971
Education for Homeless Children and Youth	84.196	54	14,835
Twenty-First Century Community Learning Centers	84.287	46	173,878
Foreign Language Assistance	84.293	45	2,035

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education (Cont'd)			
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	58	$ 484,758
ARRA – Education Technology State Grants	84.386	58	16,766
Reading First State Grant	84.357	41	11,869
English Language Acquisition Grants	84.365	45	62,099
Improving Teacher Quality State Grants	84.367	40	721,461
School Improvement Grants	84.377	41	13,214
ARRA – Education Jobs Fund	84.410	52	68,609
State Fiscal Stabilization Fund Cluster:			
ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants	84.394	52	3,236,645
ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services	84.397	25,52	319,499
Total U.S. Department of Education			$ 12,571,940
U.S. Department of Health and Human Services			
Head Start Cluster:			
Head Start (Early Head Start)	93.600	32	$ 1,350,242
ARRA – Head Start (Early Head Start)	93.708	32	52,746
Pass-Through Grantor – North Central Community Action			
Head Start	93.600	32	963,204
ARRA – Head Start	93.708	32	16,071

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services (Cont'd)			
Pass-Through West Virginia Department of Education			
Temporary Assistance for Needy Families	93.558	47	$ 83,730
Youth Behavior Risk Survey & Youth Tobacco Survey	93.293	49	766
Cooperative Agreements to Support Comprehensive School Programs to Prevent the Spread of HIV and Other Important Problems	93.938	49	399
Total U.S. Department of Health and Human Services			$ 2,467,158
U.S. Corporation for National and Community Service			
Learn and Serve America – School and Community Based Programs	94.004	44	$ 3,958
Total U.S. Corporation for National and Community Service			$ 3,958
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 17,299,149

N/A – Not Applicable

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

1. Basis of Presentation

The accompanying schedule of Expenditures of Federal Awards includes the federal grant activity of the Board of Education and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

2. Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The Board received and disbursed $319,055 in food commodities in the Donated Foods Program/Food Distribution Program for the year ended June 30, 2011.

MONONGALIA COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reference Number:

There were no Findings and Questioned Costs relative to federal awards for the prior audit period of July 1, 2009 to June 30, 2010.

T&B

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March 11, 2012

The Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

In planning and performing our audit of the financial statements of the Monongalia County Board of Education for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

However, during our audit, we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. (We previously reported on the Board's internal control in our report dated March 11, 2012.) This letter does not affect our report dated March 11, 2012, on the financial statements of the Monongalia County Board of Education.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Board personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Incorrect Charge

We noted during our audit that (1) substitute employee's payroll expense and related benefits were charged to an incorrect project code. After review of the WVEIS system with Board management, it appeared that this happened for only one occurrence for a total amount of $141. The amount was incorrectly charged to the Title I federal program, and should have been charged as an expense to the County program.

We recommend that the Monongalia County Board of Education management take the necessary steps to ensure that all wages are charged to the applicable programs.

Credit Card Purchases

We noted during our audit that management did periodically obtain an approved purchase order for credit card purchases or travel expenses, such as lodging. However, we noted that the credit card charges for miscellaneous purchases or lodging expenses were not always supported by a detailed invoice.

We recommend that the Monongalia County Board of Education management take the necessary steps to ensure that all credit card purchases are approved and are supported by detailed invoices or other support documentation.

We wish to thank the Treasurer and his staff for their support and assistance during our audit.

This report is intended solely for the information and use of the Board Members, management, and others within the Board and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tetrick & Bartlett, PLLC

March 11, 2012

ECONOMIC AND DEMOGRAPHIC DATA – COUNTY OF MONONGALIA (WEST VIRGINIA)

Introduction

Location: Monongalia County is located in the North-Central part of the State of West Virginia and is 156 miles from the City of Charleston, West Virginia (the State Capitol), 73 miles from Pittsburgh, Pennsylvania, 76 miles from Wheeling, West Virginia, and 212 miles from Washington, D.C.

County Seat: City of Morgantown

Commissioners: Bill Bartolo, President, Eldon A. Callen and Asel Kennedy

Population

Year	Monongalia County	West Virginia	United States
2010 Census	96,189	1,852,994	308,745,538
2000 Census	81,866	1,808,344	281,421,906

Source: United States Census Bureau

Economy

The 10 largest employers and the type of business for each such employer for the year 2011 in the County are:

Employer	Product/Service
West Virginia University	Education
West Virginia University Hospitals	Health
Mylan Pharmaceuticals, Inc.	Mfg.
Monongalia Co. Board of Education	Education
Monongalia General Hospital	Health
WVU Medical Corporation	Health
Teletech Customer Care Mgt. (WV), Inc.	Services
Wal-Mart Associates, Inc.	Retail
The Kroger Company	Retail
Gabriel Brothers, Inc.	Retail

Source: WORKFORCE West Virginia

Average Annual Unemployment Rates (%)

Year	Monongalia County	West Virginia
2004	3.8	5.3
2005	3.5	4.9
2006	3.2	4.5
2007	2.9	4.2
2008	2.7	4.2
2009	4.4	7.7
2010	5.5	8.5

Source: WORKFORCE West Virginia

Average Annual Employment by Industry

Industry	2010	2009	2008	2007
Construction	3,107	2,259	2,226	2,069
Manufacturing	3,354	3,272	3,355	3,224
Trade, Transportation & Utilities	7,446	7,491	7,658	7,800
Information	635	570	591	585
Financial Activities	1,350	1,356	1,447	1,486
Professional & Business Services	4,846	4,570	4,331	4,082
Education & Health Services	11,446	11,396	11,158	10,725
Leisure & Hospitality	5,992	5,903	5,744	5,451
Government	11,217	10,618	10,446	12,436
Natural Resources & Mining	742	655	661	594
TOTAL	51,627	49,513	49,001	49,793

Source: WORKFORCE West Virginia

Average Employment and Annual Wage

	Average Employment		Average Annual Wage	
	2010	**2009**	**2010**	**2009**
Monongalia County	51,627	49,513	$42,191	$39,522
West Virginia	692,305	691,921	$37,702	$36,895

Source: WORKFORCE West Virginia

Per Capita Personal Income

Governmental Entity	2010	2000
United States	$39,937	$30,319
West Virginia	$32,042	$22,173
Monongalia County	$35,924	$23,793

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

Monongalia County Wages Per Industry (2010) ($)

Industry	Total Wages	Average Annual Wage
Natural Resources & Mining	$44,495,303	$59,967
Construction	$187,036,969	$60,199
Manufacturing	$212,052,510	$63,224
Trade, Transportation & Utilities	$230,985,014	$31,021
Information	$28,006,622	$44,105
Financial Activities	$57,575,062	$42,648
Professional & Business Services	$232,331,858	$47,943
Education & Health Services	$499,456,263	$43,636
Leisure and Hospitality	$75,563,713	$12,611
Other Services	$43,144,242	$29,152
Government	$567,288,519	$50,574
TOTAL	$2,178,190,662	

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Monongalia County	West Virginia
2010	2,178,190,662	26,100,976,332
2009	1,956,875,608	25,528,702,813
2008	1,852,635,295	25,534,204,980
2007	1,726,590,994	24,083,126,318
2006	1,607,936,896	23,079,570,075
2005	1,508,798,578	21,793,516,080
2004	1,430,574,609	20,868,401,449

Source: WORKFORCE West Virginia

Source for Remainder of Information Unless Otherwise Noted:
Morgantown Area Chamber of Commerce

LOCATION

Highway Distance from Morgantown

Pittsburgh, PA	77
Charleston, WV	155
Columbus, OH	205
Cleveland, OH	219
Washington, DC	213
Baltimore, MD	215
Philadelphia, PA	327
Toronto, Canada	384
Charlotte, NC	385
New York, NY	393
Norfolk, VA	407
Chicago, IL	528

LODGING AND RETAIL OUTLETS

Motels/hotels	20
Bed & Breakfasts	2
Major Shopping Malls/Centers	4

FINANCIAL INSTITUTIONS

The County is served by seventeen financial institutions.

CHURCHES

There are over 70 different congregations representing over 30 different religious affiliations in Monongalia County.

CIVIC CLUBS

There are over 25 civic organizations in Monongalia County.

EDUCATION

Number of Public and Private Schools, Monongalia County

Type of School	# Public	# Private
Elementary Schools (PK-6)	12	6
Middle Schools (varies 5-8)	4	6
High Schools (varies 7-12)	3	3
Technical Center	1	
Alternative Education	2	
Total Number of Schools	22	15*

* Some of the private schools incorporate more than one type, or grade range, of school

Colleges and Universities

West Virginia University, Morgantown	Monongalia County
Pierpont Community and Technical College, Fairmont	Marion County
Fairmont State University, Fairmont	Marion County
Salem International University, Salem	Harrison County
West Virginia Junior College, Morgantown	Monongalia County
Waynesburg College, Waynesburg, PA	

HEALTH CARE

Hospitals

Monongalia General Hospital
207 bed general acute care hospital

Ruby Memorial Hospital
370 bed teaching hospital

Health Clinics

Clay Battelle Community Health Center	Morgantown Orthopedic Association, Inc.
WVU – Cheat Lake Medical Associates	Center for Excellence in Disabilities
Community Medical Associates	Cheat Lake Urgent Care
Physicians Office Center	Monongalia County Health Department
Morgantown Ear, Nose and Throat Clinic	Valley Community Mental Health Center
Morgantown Health Right Clinic	VanVoorhis Family Practice Center

RECREATION AND CULTURAL FACILITIES

Amateur Theater	2	
Professional Theater		West Virginia Public Theater
Ball Fields	23	
Biking/Hiking Trails	2	60 miles of trails along Mon River, Deckers Creek and Cheat Lake
Bowling Facilities	2	
Basketball Courts	40	
Outdoor Tennis Courts	34	
Indoor Tennis Clubs	2	
Campgrounds, Private	3	
Campgrounds, Public	2	Cooper's Rock State Park, Chestnut Ridge Park
Golf Country Clubs	2	Pines Country Club, Pikewood Golf Club
Public Golf Courses	4	
Fitness Centers	10	
Indoor Movie Theaters	4	29 screens
Marinas	6	3 on Cheat Lake, 3 on Mon River
Regional Parks	4	Chestnut Ridge, Cheat Lake, Mason Dixon, Camp Muffly, Mylan Park
Community Parks	10	
Playgrounds	47	
Skiing, Water	2	Cheat Lake (1,730 acres) and Mon River
Skiing, Nordic		Cooper's Rock State Park
Resort and Conf. Center		Lakeview Resort
Skating Rink		White Park
Swimming Pools (public)	4	Marilla, Kreeps, Camp Muffly
State Forest		Cooper's Rock (12,700 acres)
WVU Coliseum		14,000 seat capacity
WVU Core Arboretum		7 hiking trails
WVU Creative Arts Center		1,600 seat capacity
WVU Mountaineer Field		60,000 seat capacity
WVU Indoor Rec. Centers	3	WVU Indoor pool and recreation centers

UTILITIES AND SERVICES

Electric Power	FirstEnergy
Natural Gas Supplier	Dominion Transmission
Natural Gas Distributors	Dominion Hope, Mountaineer Gas
Sewage Treatment	Morgantown Utility Board System (Secondary treatment, 12 MGD capacity, 65% present loan), and 3 Public Service Districts
Water Treatment	Morgantown Utility Board (Source – Monongahela River, 14.5 MGD capacity, 72% present load) and 8 Public Service Districts, water associations or municipal (Star City) systems
Solid Waste Disposal	2 local vendors

COMMUNICATIONS

AM Radio	WAJR	News/Talk/Sports
	WCLG	Oldies/News
FM Radio	WCLG	Classic Rock
	WMQC	Adult Contemporary/Oldies
	WVAQ	Top 40
	WWVU	Alternative Rock
Television	WNPB	PBS affiliate
	WBOY	NBC affiliate
	Comcast Cable (98 Standard Basic Cable Channels, 62 Digital Cable Channels, 17 HDTV Channels, DVR Service)	
Newspapers	Morgantown Dominion Post	Daily
	Daily Athenaeum	(Daily during WVU School year, weekly in summer)
Postal Service	15 Post Offices	
Overnight Delivery	Federal Express, Greyhound, UPS, U.S. Postal Service	
Telecommunications	Frontier is the primary local exchange service provider. West Side Telecommunications also serves a portion of the County. Comcast offers high-speed digital cable Internet access Cellular Phone service is offered by Cellular One, Ntelos, Sprint, U.S. Cellular	

TRANSPORTATION

Highways Serving Area	I-68 and 79; US 19 and 119; WV 7, 100 and 218
Transit	Mountain Line (Local Bus Service), WVU Personal Rapid Transit (Monorail)
Railroads	Norfolk-Southern RR offers daily freight service
Air	Morgantown Municipal Airport (Hart Field) offers daily commuter service to Northern Virginia's Dulles International Airport. Pittsburgh International Airport is an 80-minute drive north of Morgantown.
Water	Monongahela River is a navigable waterway with a 9 foot channel depth.

APPENDIX C

PROPOSED FORM OF LEGAL OPINION

_____, 2012

$_____
The Board of Education of
The County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

The Board of Education of the
County of Monongalia
Morgantown, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by The Board of Education of The County of Monongalia (the "Issuer") of its $_____ in aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Bonds") and served as bond counsel to the Issuer in connection with the issuance of such Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Refunding Act") and a Resolution and Order duly adopted by the Issuer on April 24, 2012 (the "Resolution") and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds are issued in fully registered form, are dated _____, 2012, upon original issuance, are represented by a single bond for each maturity, numbered R-1 to R-__, inclusive, with interest payable on each May 1 and November 1, commencing November 1, 2012, and principal installments payable each May 1, commencing May 1, 2013, and continuing until the maturity thereof, being May 1, 2033.

The Resolution provides that the issue is for the purposes of providing funds, together with other moneys of the Issuer currently on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission"), to pay costs necessary to advance refund all of the Issuer's Outstanding Public School Bonds, Series 2004, dated May 1, 2004 (the "Prior Bonds"), originally issued in the aggregate principal amount of $50,000,000, of which $42,715,000 is presently outstanding, and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Monongalia County School District (the "District") at an election held in the District on October 4, 2003, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated _____, 2012, by and between the Issuer and the Purchaser (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution, the Bond Purchase Agreement and the Escrow Agreement, dated _____, 2012, by and between the Issuer and the West Virginia Municipal Bond Commission, as escrow agent (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer contained in the Resolution, the Bond Purchase Agreement, the Escrow Agreement and the Tax and Non-Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and in certain other certificates delivered in connection herewith and the covenants of the Bond Commission contained in the Escrow Agreement, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Resolution, enter into the Escrow Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Escrow Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution and the Tax Certificate. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 5 below, we express no opinion regarding other tax consequences arising with respect to the Bonds.

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

6. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the liens, pledges, rights or remedies with respect to the Bonds, the Resolution, the Escrow Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

Bowles Rice McDavid Graff & Love LLP

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Re marketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

ELECTED OFFICIALS OF THE BOARD
APPOINTED OFFICIALS OF THE BOARD

Monongalia County Board of Education Members

Dr. Barbara L. Parsons, President

Representing the Monongalia County Schools' Central District, Dr. Barbara Parsons was appointed to the Board in 2000 to fill an unexpired term. She subsequently was elected to a four-year term in 2002 and was re-elected May 2006 and 2010. Her current term of office expires in 2014. Dr. Parsons was named president of the Monongalia County Board of Education July 2010.

A Morgantown area resident for 38 years, Dr. Parsons earned a bachelor's degree in Family Resources, a master's in Industrial and Labor Relations and a doctorate in Education from West Virginia University. She is employed as director of Education Services for Monongalia Health System.

Dr. Parsons previously served on the Morgantown Utility Board, with Monongalia County's Metropolitan Planning Organization and as a facilitator for COMPAC, a community transportation improvement group. A 1992 graduate of Leadership West Virginia, she coordinated Leadership Monongalia, a local leadership development program, for 14 years. She currently serves as chair of the United Way of Monongalia and Preston Counties' board of directors' personnel committee; co-chair of the West Virginia School Board Association's (WVSBA) strategic planning committee; and resource coordinator for the WVSBA's committee for developing standards for high functioning boards. Additionally, she serves on the West Virginia Board of Education's training standards review committee.

Mike Kelly

Mike Kelly, 58, is a Westover resident and president of Dulaney Oil. A University High alumnus, Mr. Kelly and his wife, Marjorie, a Morgantown High graduate, are the parents of three children and the grandparents of three grandchildren, two of which are enrolled in the Monongalia County Schools.

Mr. Kelly is former president of the Westover Rotary. He has worked with the Greater Morgantown Metropolitan Planning Organization (MPO) since its organization in 2003 and is the organization's immediate past president. An avid automobile collector, Mr. Kelly also is an active volunteer with the UHS and Westwood Middle School band programs and is a strong supporter of the arts.

He served on the Board in 2005-06 and 2007-08, completing previous Board members' unexpired terms. He was elected in May 2008 to complete his second appointed term through June 2010. The Board reappointed Kelly to another vacated seat July 2010, a position he held until the Nov. 2, 2010 general election when he was elected to complete that term through 2014.

Craig Cerra

Craig Cerra is a 17 year resident of Monongalia county. He was appointed to the Board in 2012 to fill an unexpired term. Mr. Cerra represents the Western District of Monongalia County Schools.

Mr. Cerra has been employed by Edison Mission O&M for seventeen years at the Grant Town Power Plant. He is currently the administrative Supervisor at the power plant.

Cerra along with his wife Tamara have four children, three being enrolled in Monongalia County Schools. When his children started at Daybrook Elementary he became involved in volunteering with his

children's schools. He has been active on PTO's and LSIC committees. Cerra also currently serves as the vice-president of the Pines Spring Summer Camp Board.

Nancy Walker

Nancy Walker, a native West Virginian, has lived in Morgantown with her husband Craig since 1974. She has been employed as a registered diagnostic medical and cardiac ultrasonographer for 34 years and currently is employed by the Morgantown Internal Medicine Group.

As the mother of three children, Ms. Walker initially became involved with the Monongalia County Schools as a parent volunteer. Representing the county schools' Eastern District, she has served on the Board for 15 years and held the Board president's position 2002-2010. Her current term of office expires in 2012.

She attends St. Thomas 'a Becket Episcopal Church and serves as the church nursery coordinator. She serves on the executive committee of the United Way of Monongalia and Preston Counties and as vice chair of the WVU Prevention Research Center's Community Partnership board. She also was appointed to serve on the West Virginia Commission for Performance Teaching Standards in 2010.

Dr. Clarence Harvey, Jr.

A Morgantown native and a graduate of University High School, Dr. Clarence Harvey began his career as a professional educator in 1948, teaching at Daybrook Junior High. Dr. Harvey, 85, also served as a principal and in several central office administrative positions before his retirement in 1984.

A South Park resident representing the county's Central District, Harvey initially was elected to the Board of Education in 1984 and subsequently was re-elected to two four-year terms. County voters returned him to the Board in May 2006.

Harvey holds bachelor's and master's degrees from West Virginia University. He also holds a doctoral degree in education from Penn State.

Monongalia County Schools Central Office Administrators

Dr. Frank Devono, Superintendent

Dr. Devono has been Superintendent of Monongalia County Schools since July 1, 2005 and has more than 36 years of additional administrative and educational experience in West Virginia.

He earned his B.S. Degree from Fairmont State University, a Master's Degree from West Virginia University and an Ed.D. from West Virginia University.

Donna Talerico, Assistant Superintendent of Pupil Services

Donna Morgan Talerico has served as Assistant Superintendent since 2005. She is a resident of Westover. Her responsibilities in her nearly 40 year career in the Monongalia County School system, include serving as a school principal at North, Woodburn, Easton, Jerome Park and Daybrook Elementary Schools.

A graduate of Fairmont State College in 1972, she also earned a degree in Education Administration from WVU in 1973. She has dedicated her career to improving education in the Monongalia County School system.

Becky Mattern
Assistant Superintendent for Administration, C&I

Mrs. Mattern has been Assistant Superintendent in Monongalia County since January 2006 and has over twenty years of central office experience from Taylor, Marion, and Harrison Counties. She previously taught in Marion, Taylor, Mercer and Logan County Schools.

Mrs. Mattern earned her BA and MS degrees from West Virginia University.

Wm. Terry Hawkins
Chief School Business Official and Treasurer

Mr. Hawkins has been Chief School Business Official and Treasurer for the Monongalia County Board of Education since November 1993. Prior to joining the school system, he was employed by the State of West Virginia Department of Tax and Revenue as an auditor for over twenty years.

Mr. Hawkins received his BS degree in Business Administration from West Virginia University in 1972.

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated as of _____, 2012, is by and between the Board of Education of the County of Monongalia (the "Board") and United Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $_____ The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution adopted by the Board on April 24, 2012, authorizing issuance of the Series 2012 Bonds (the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Series 2012 Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Series 2012 Bonds in Appendix A entitled "Audit Report of Monongalia County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

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

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2012 Bonds (including persons holding Series 2012 Bonds through nominees, depositories or other intermediaries).

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

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

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

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

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

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

"Participating Underwriter" shall mean the original underwriter of the Series 2012 Bonds which is required to comply with the Rule in connection with the offering of the Series 2012 Bonds.

"Repository" shall mean each National Repository.

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

"Series 2012 Bonds" shall mean the $_____ The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

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

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

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

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

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

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2012 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

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

4. unscheduled draws on credit enhancements reflecting financial difficulties;

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

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012 Bonds, or other events affecting the tax status of the Series 2012 Bonds;

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

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

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Series 2012 Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the Board[3];

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

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

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event,

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

and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

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

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

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

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

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2012 Bonds. If such termination occurs prior to the final maturity of the Series 2012 Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Series 2012 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2012 Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2012 Bonds.

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

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

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Series 2012 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Series 2012 Bonds or pursuant to the Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

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

To the Board:	The Board of Education of the County of Monongalia 13 South High Street Morgantown, West Virginia 26501
To the Disclosure Agent:	United Bank, Inc. ATTN: Corporate Trust 500 Virginia Street, East Charleston, WV 25392

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

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

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

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

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

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

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action.

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: _____
Its: Board President

UNITED BANK, INC., as Disclosure Agent

By: _____

Its: _____

Date: _____, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Monongalia (the "Board")

Name of Bond Issue: $_____ The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Date of Bond Issue: _____, 2012

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

Dated: _____, 20___.

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

cc: Board

NEW ISSUE
BOOK-ENTRY ONLY

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

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

$42,615,000
The Board of Education of the County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

Dated: Date of Delivery

Due: May 1, as shown below

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

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

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

Interest on the Bonds will be payable November 1, 2012 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to optional redemption as described in the section entitled **"THE BONDS-Redemption"** herein.

The Bonds shall be issued in the principal amounts and have the maturities, interest rates, yields and CUSIP numbers as indicated on the inside cover hereof.

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Morgantown, West Virginia, Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Steptoe & Johnson PLLC, Charleston, West Virginia, as Counsel to the Underwriter. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about July 10, 2012.

PiperJaffray®

Dated: June 19, 2012

$42,615,000
The Board of Education of the
County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

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

Maturity Date	Principal Amount ($)	Interest Rate (%)	Yield (%)	Price	CUSIPS**
5/1/2013	1,695,000	4.00	0.43	102.877	610219 CM7
5/1/2014	1,400,000	4.00	0.61	106.086	610219 CN5
5/1/2015	1,455,000	4.00	0.82	108.809	610219 CPO
5/1/2016	1,510,000	4.00	1.00	111.181	610219 CQ8
5/1/2017	1,565,000	4.00	1.26	112.743	610219 CR6
5/1/2018	1,620,000	5.00	1.57	118.967	610219 CS4
5/1/2019	695,000	1.75	1.83	99.489	610219 CT2
5/1/2019	1,000,000	4.00	1.83	113.829	610219 DH7
5/1/2020	1,745,000	5.00	2.07	121.022	610219 CU9
5/1/2021	1,825,000	3.00	2.27	105.796	610219 CV7
5/1/2022	1,870,000	3.00	2.41	105.124	610219 CW5
5/1/2023	1,925,000	5.00	2.63*	120.368	610219 CX3
5/1/2024	2,010,000	5.00	2.82*	118.562	610219 CY1
5/1/2025	2,105,000	4.00	3.15*	107.120	610219 CZ8
5/1/2026	2,180,000	4.00	3.30*	105.821	610219 DA2
5/1/2027	2,260,000	4.25	3.36*	107.380	610219 DB0
5/1/2028	2,350,000	4.375	3.43*	107.810	610219 DC8
5/1/2029	2,445,000	5.00	3.26*	114.502	610219 DD6
5/1/2030	2,555,000	5.00	3.33*	113.871	610219 DE4
5/1/2031	2,675,000	5.00	3.40*	113.245	610219 DF1
5/1/2032	2,800,000	5.00	3.46*	112.711	610219 DJ3
5/1/2033	2,930,000	5.00	3.53*	112.092	610219 DG9

*Priced to the first optional redemption date of May 1, 2022.

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

$42,615,000
The Board of Education of the
County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

ELECTED OFFICIALS
Dr. Barbara L. Parsons, President
Mike Kelly
Craig Cerra
Nancy Walker
Dr. Clarence Harvey, Jr.

APPOINTED OFFICIALS
Dr. Frank Devono, Superintendent
Donna Talerico, Assistant Superintendent of Pupil Services
Becky Mattern, Assistant Superintendent for Administration, C&I
Wm. Terry Hawkins, Chief School Business Official and Treasurer

BOARD'S COUNSEL
Bowles Rice McDavid Graff & Love LLP
Morgantown, West Virginia

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

UNDERWRITER
Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITER'S COUNSEL
Steptoe & Johnson PLLC
Charleston, West Virginia

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

You should make your own decision whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure, nor whether it is complete.

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

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Forward-Looking Statements

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

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OFFICIAL STATEMENT
RELATING TO

$42,615,000
The Board of Education of the
County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $42,615,000 in aggregate principal amount of The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). A brief description of The Board of Education of the County of Monongalia, West Virginia (the "Board"), the Monongalia County School District (the "School District") and the County of Monongalia, West Virginia (the "County" or "Monongalia County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

The Bonds are being issued to provide funds to provide for the advance refunding of the Board's Public School Bonds, Series 2004 issued in the original aggregate principal amount of $50,000,000 ("Series 2004 Bonds") of which $42,715,000 is outstanding. Proceeds of the Bonds will also be used to pay legal, consulting and other professional fees, printing and other issuance costs.

The Series 2004 Bonds were issued to fund a portion of the cost of constructing a new University High School, a new Westwood Elementary School and a new Cass Elementary School, to fund the costs of improvements to Mason Dixon Elementary School, Clay-Battelle Middle/Senior High School, Morgantown High School and renovations to the entrances to the remaining schools in the School District to comply with the Safe Schools Act (the "Projects"), which facilities are all located within Monongalia County and the School District. Proceeds of the Series 2004 Bonds were also used to pay capitalized interest on the Series 2004 Bonds, legal, consulting and other professional fees, printing and other issuance costs.

At a special election held on October 4, 2003, the issuance of bonds in an amount of up to $50,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved by the qualified voters of the School District for the purposes of paying costs of the Projects, paying capitalized interest on the Series 2004 Bonds and paying costs of issuance of the Series 2004 Bonds. The Series 2012 Bonds will refund the Series 2004 Bonds.

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

THE BONDS

General

The Bonds will be dated the date of delivery thereof and are issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1 as set forth on the inside cover of this Official Statement.

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

Interest on the Bonds will be payable on November 1, 2012 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at the address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $500,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Authority and Purpose

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Bond Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8 of the Constitution and Sections 20 and 34 of the Bond Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds. Pursuant to the Better Schools amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law. Pursuant to the Bond Act and orders and resolutions duly entered and adopted by the Board, on February 24, 2004 and May 12, 2004, the issuance of bonds in the aggregate principal amount of $50,000,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved at a special election by 73.22% of the participating voters. Proceeds of the Series 2004 Bonds were applied, together with certain funds received by the Board from the State of West Virginia (the "State") and other sources, to the cost of acquisition and construction of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District. The ballot question limited the term of the bonds to twenty-nine (29) years from their date and limited the rate of interest on the bonds to a rate not exceeding 6.50% per annum. Pursuant to the Bond Act, the Series 2004 Bonds were issued on May 26, 2004 and designated Public School Bonds, Series 2004.

The Board is issuing the Bonds pursuant to Article 2 of Chapter 13 of the Code of West Virginia, as amended (the "Refunding Act") and a resolution of the Board adopted on April 24, 2012 (the "Resolution"). The Board is issuing the Bonds for the purpose of advance refunding the Series 2004 Bonds. In accordance with the provisions of the Refunding Act, debt service on the Bonds will not exceed in each year the amount of taxes expected to be available for payment of such debt service in accordance with the terms approved by the voters. The Series 2004 Bonds will be deemed paid upon the completion of the advance refunding. Certain funds of the Board on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") relating to the Series 2004 Bonds will become surplus funds as a result of the advance refunding and will be available for release to the Board.

Redemption Provisions for Bonds

Optional Redemption

The Bonds maturing on or after May 1, 2023, are subject to redemption on or after May 1, 2022, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

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

Plan of Financing

Proceeds of the Bonds in the amount of $47,107,495.10 will be applied to the funding of an escrow to advance refund the Series 2004 Bonds. Such proceeds will be used to pay the interest on the Series 2004 Bonds each November 1 and May 1, commencing November 1, 2012 and continuing to and including May 1, 2014, to pay the maturing principal of the Series 2004 Bonds on May 1, 2013 and May 1, 2014 and to pay the redemption price of the remaining maturities of the Series 2004 Bonds called for redemption in the amount of $40,571,700 (which includes $40,170,000 of principal to be redeemed and a redemption premium of $401,700) (the "Redemption Price") on May 1, 2014 (the "Redemption Date"). The above referenced funds in the total amount of $47,107,495.10, together with the earnings thereon, will be held by the Bond Commission, as Escrow Agent under an Escrow Agreement to be entered into on or about July 10, 2012 (the "Escrow Agreement"), by and among the Board and the Bond Commission. The Series 2004 Bonds are expected to be called for redemption on or about March 3, 2014, with the Bond Commission paying the Redemption Price for the Series 2004 Bonds on the Redemption Date thereof. During the period in which the proceeds of the Bonds are deposited with the Bond Commission pursuant to the Escrow Agreement (except amounts necessary for costs of issuance), such funds will be invested in United States Treasury Obligations (the "Obligations"). The maturing principal of and interest on the Obligations are not pledged to and will not be available to pay the Bonds.

Sources and Uses of Funds

Sources

Proceeds of the Bonds	$42,615,000.00
Net Original Issue Premium	$4,806,597.10
TOTAL SOURCES	$47,421,597.10

Uses

Deposit to Escrow Fund[1]	$47,107,495.10
Underwriter's Discount	$226,767.50
Costs of Issuance[2]	$87,334.50
TOTAL USES OF FUNDS	$47,421,597.10

[1] The amount set forth in the Escrow Agreement as required, to effect the advance refunding of the Series 2004 Bonds as described herein.

[2] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Printing, Accounts' Verification Report, Registrar and other fees and expenses associated with the issuance of the Bonds.

Nature of Obligation, Security and Source of Payments

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

Debt Administration

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

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

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

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 Monongalia. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

MONONGALIA COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members nominated and elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. In 2012, the terms of two (2) 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 2011-2012, the Monongalia County school system had a central office professional staff of 27 with the overall responsibility to coordinate and supervise the activities of 37 school administrators, 882 instructional staff (teachers and other professionals), and 519 service personnel. Total Full Time Equivalent positions are 1489.26.

Historical School Enrollment (School Year)

Grades	2007	2008	2009	2010	2011
Pre-K Special Needs	N/A	83	89	109	121
Pre-K Universal	N/A	526	548	551	632
K	766	728	739	820	808
1	714	763	714	760	830
2	712	725	785	734	767
3	716	713	724	783	759
4	718	712	722	721	778
5	691	716	713	753	729
6	758	703	738	730	753
7	776	762	707	747	761
8	743	772	770	733	760
9	897	902	948	935	858
10	829	764	776	793	837
11	784	766	715	735	748
12	703	738	744	988	743
Total	10,262	10,373	10,432	10,592	10,884

Rate of Increase (Decrease) in Enrollment	
2007-2011	6.06 %
Annualized	1.52 %

Source: Monongalia County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2012	11,070
2013	10,928
2014	10,931
2015	10,946

Source: Monongalia County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Renovation or Addition and Date	
Brookhaven Elementary (New)	PK-5	Masonry/Concrete	1994	Addition	2011
Brookhaven Elementary (Old)	PK-5	Masonry/Concrete	1954 & 1977	Addition	1980
Cheat Lake Elementary	PK-4	Concrete	1991	Renovations	2010
Daybrook Center	Early Head Start	Masonry/Concrete	1920		
Easton Elementary	PK-4	Masonry/Concrete	1925 & 1953	Addition	1991
Mason-Dixon Elementary	PK-6	Masonry/Concrete	1994	Addition Renovations	1985 2006
Mountainview Elementary	K-5	Masonry/Concrete	1991		
Mylan Park Elementary	PK-5	Masonry/Concrete	2006		
North Elementary	K-5	Masonry/Concrete	1979	Addition	1985
Ridgedale Elementary	K-5	Masonry/Concrete	1954, 1983, 1991, 2000	Addition Renovations	2008 2009
Skyview Elementary	PK-5	Masonry/Concrete	2006		
Suncrest Primary	K-3	Masonry/Concrete	1918, 1953, 1956	Addition	1997
Westover Elementary	-	Rubblestone/Concrete	1936	Additions	1972, 1978
Woodburn Elementary	K-5	Masonry/Concrete	1909 & 1958	Additions	1985, 1997
Mountaineer Middle	6-8	Masonry/Concrete	1930	Renovations	2009
South Middle	6-8	Masonry/Concrete	1979	Addition	1998
Suncrest Middle	6-8	Masonry/Concrete	1939, 1953, 1993, 1996	Addition	1985
Westwood Middle	6-8	Masonry/Concrete	1994		
Clay-Battelle High	7-12	Masonry/Concrete	1938, 1950, 1977, 1991	Additions Additions and Renovations	1995 2006
Morgantown High	9-12	Masonry/Concrete	1924, 1926, 1939, 1997	Additions Additions and Renovations	1980, 1998 2007
University High	9-12	Masonry/Concrete	2008		
Technical Education Center	-	Masonry/Concrete	1978, 1987		

Source: Monongalia County Board of Education

Tax Collection Procedures

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

Tax Levies and Collections

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual ($) Collected	Actual (%) Collected
2006-2007				
General Current	20,104,517	18,170,340	19,091,784	94.96%
Bond Levy	3,780,249	3,439,750	3,764,161	99.57%
Excess Levy	17,256,793	16,066,074	17,089,259	99.03%
2007-2008				
General Current	21,402,507	19,260,953	20,852,219	97.43%
Bond Levy	3,773,019	3,428,050	3,785,115	100.32%
Excess Levy	18,986,451	17,676,385	18,936,004	99.73%
2008-2009				
General Current	22,883,102	20,531,621	22,135,366	96.73%
Bond Levy	3,750,941	3,413,650	3,764,130	100.35%
Excess Levy	20,299,906	18,899,213	20,260,262	99.80%
2009-2010				
General Current	23,855,866	21,237,757	23,041,367	96.59%
Bond Levy	3,738,238	3,401,550	3,698,499	98.94%
Excess Levy	21,162,860	19,702,623	20,950,080	98.99%
2010-2011				
General Current	25,694,329	22,848,280	24,479,078	95.27%
Bond Levy	3,721,704	3,386,450	3,689,765	99.14%
Excess Levy	22,793,785	21,221,014	22,438,977	98.44%

Assessment Procedure

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

The State Tax Commissioner has the responsibility for preparing tentative valuations of all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the 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 Monongalia County School District includes all of Monongalia County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code requires all assessors to appraise all property at fair market value (except for certain farm property), within three years. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. The legislation limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The legislation specifically provided that assessors should not implement the reappraisal described above. The legislation requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

The Monongalia County Assessor entered into an Agreement in 2011 with Tyler Technologies, Inc. ("Tyler") for the purpose of engaging Tyler to undertake a county-wide review of the assessed values of real and personal property in Monongalia County. Following the completion of its initial review, Tyler recommended modifications to the assessed value of many of the real property tax parcels in the County and in the assessed value of certain personal property. Tyler, in conjunction with The County Commission of Monongalia County, setting as a Board of Equalization and Review, and the Monongalia County Assessor's Office, continues to evaluate assessed valuations in the County and is considering feedback from County taxpayers regarding existing assessments and proposals for revaluation. This revaluation process is anticipated to result in a more than 5% overall average increase in the assessed valuation of property in Monongalia County for the tax year commencing July 1, 2012. Modest increases in the assessed valuation of the property in the County are also anticipated for the 2013 and 2014 tax years.

Assessed Valuation By Property Class*

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	0	0	0	0	0
II	1,406,135,012	1,498,834,029	1,559,982,982	1,637,936,361	1,773,490,716
III	1,497,334,488	1,551,377,165	1,706,934,100	1,689,742,799	1,899,291,901
IV	748,451,321	773,415,520	824,199,337	843,241,388	895,479,451
Total	3,651,920,821	3,823,626,714	4,091,116,419	4,170,920,548	4,568,262,068

Assessed Valuation By Property Category*

Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Real	2,587,084,130	2,801,688,190	2,987,574,750	3,070,880,340	3,351,647,930
Personal	808,058,180	822,025,482	899,872,577	929,502,165	1,032,766,945
Public Utility	256,778,511	199,913,042	203,669,092	170,538,043	183,847,193
Total	3,651,920,821	3,823,626,714	4,091,116,419	4,170,920,548	4,568,262,068

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

$108,921,806 in 2008-2009
$110,628,690 in 2009-2010
$111,817,339 in 2010-2011
$111,810,836 in 2011-2012
$117,961,708 in 2012-2013

Largest Assessed Valuations (tax year 2012)

Property Owner	Assessed Valuation ($)
Mylan Pharmaceuticals	$227,977,660
Monongahela Power	86,135,919
Eastern Associated Coal	43,813,585
Morgantown Energy Associates	33,597,227
Morgantown Mall	28,283,040
Frontier West Virginia Inc.	24,880,187
Crompton Chemicals	24,787,852
Wal-Mart Stores	24,378,277
Suncrest Resources, LLC	22,947,000
Copper Beach Townhomes	21,366,420

Source: Monongalia County Assessor and West Virginia State Auditor's Office

Tax Rate Comparisons (Source: West Virginia State Auditor)

The following shows Monongalia County property taxes in cents per $100 assessed valuation (this includes all state, county and school rates, in comparison with a few select surrounding counties), for tax year 2012; Fiscal Year 2012 - 2013.

Rates of Levy*

County	Class I	Class II	Class III/IV
MONONGALIA	48.76	97.52	195.04
Marion	61.33	122.66	245.32
Preston	49.22	98.44	196.88
Taylor	54.865	109.730	219.460
Wetzel	58.99	117.98	235.96

*Includes the total levy for State, County and schools in each County.

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

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

Tax Rates - By Property Class (Cents Per $100)

School Current Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	17.21	17.21	17.21	17.21	17.21
II	34.42	34.42	34.42	34.42	34.42
III and IV	68.84	68.84	68.84	68.84	68.84

School Bonds

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	3.18	3.04	2.81	2.77	2.40
II	6.36	6.08	5.62	5.54	4.80
III and IV	12.72	12.16	11.24	11.08	9.60

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8, Section 6b of the Code of West Virginia of 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

Rates of Levy (Source: West Virginia State Auditor)

The tax rates for citizens of the County, including those imposed by the Monongalia County Board of Education, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2012-2013 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	9.50	19.00	38.00
School Current	19.40	38.80	77.60
School Bonds	2.40	4.80	9.60
School Excess	17.21	34.42	68.84

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2012-2013 fiscal year.

Municipality	Class I	Class II	Class III/IV
Blacksville	10.94	21.88	43.76
Granville	10.75	21.50	43.00
Morgantown	12.50	25.00	50.00
Star City	12.50	25.00	50.00
Westover	9.62	19.24	38.48

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)	96,189
Assessed Valuation*	$4,568,262,068
Debt Limit (5% of Assessed Valuation)	228,413,103
Outstanding Debt (including the Bonds)	42,615,000
Debt Contracting Margin	185,798,103
Per Capita Debt	$443
Outstanding Debt as percentage of Assessed Valuation	0.93%

*Assessed Value is 60% of appraised or market value (Assessment Year 2012, Fiscal Year 2013).

Debt Service Requirements

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

Schedule of Bond Indebtedness
Public School Bonds

Year Ending June 30	Series 2012 Principal ($)	Series 2012 Interest ($)	Total ($)
2013	1,695,000	1,514,432.71	3,209,432.71
2014	1,400,000	1,805,725.00	3,205,725.00
2015	1,455,000	1,749,725.00	3,204,725.00
2016	1,510,000	1,691,525.00	3,201,525.00
2017	1,565,000	1,631,125.00	3,196,125.00
2018	1,620,000	1,568,525.00	3,188,525.00
2019	1,695,000	1,487,525.00	3,182,525.00
2020	1,745,000	1,435,362.50	3,180,362.50
2021	1,825,000	1,348,112.50	3,173,112.50
2022	1,870,000	1,293,362.50	3,163,362.50
2023	1,925,000	1,237,262.50	3,162,262.50
2024	2,010,000	1,141,012.50	3,151,012.50
2025	2,105,000	1,040,512.50	3,145,512.50
2026	2,180,000	956,312.50	3,136,312.50
2027	2,260,000	869,112.50	3,129,112.50
2028	2,350,000	773,062.50	3,123,062.50
2029	2,445,000	670,250.00	3,115,250.00
2030	2,555,000	548,000.00	3,103,000.00
2031	2,675,000	420,250.00	3,095,250.00
2032	2,800,000	286,500.00	3,086,500.00
2033	2,930,000	146,500.00	3,076,500.00
TOTAL	42,615,000	23,614,195.21	66,229,195.21

Overlapping Debt

There is no overlapping county or city general obligation debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the State Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Review Revenue Fund

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

Investment of Certain Funds

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

Accounting Practices

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

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

Annual Audit

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

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November/December-	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January/February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing. A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual (Source: Monongalia County Board of Education)

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

	2011 Budget	2011 Actual*	2012 Budget	2012 Actual**	2013 Budget
Revenues Collected:					
Local Sources:					
Property Taxes	46,473,333	46,918,055	44,566,740	40,456,354	48,995,910
Other Local Sources	1,130,624	1,200,910	582,656	1,874,237	1,865,000
State Sources					
Other Unrestricted	44,258,495	56,932,296	49,397,534	33,946,599	50,099,590
Federal Sources	1,098,637	1,236,854	750,000	856,500	750,000
Total Revenues Collected	92,961,089	106,288,115	95,296,930	77,133,690	101,710,500
Expenditures Paid:					
Instruction	49,427,589	61,320,730	56,450,892	39,349,305	58,454,170
Supporting Services:					
Students	4,914,621	6,041,844	5,090,357	3,692,485	5,837,010
Instructional Staff	1,754,382	2,386,638	1,870,868	1,448,566	1,814,680
Central Administration	1,417,144	1,475,883	1,611,228	1,228,108	1,499,190
School Administration	5,165,232	6,665,513	5,037,553	4,033,697	5,402,420
Central Services	1,603,628	1,834,791	1,699,784	1,302,882	1,703,550
Operation & Maintenance of Facilities	13,511,590	14,018,220	12,505,967	10,160,061	12,842,830
Student Transportation	8,048,063	9,039,475	7,875,230	6,003,984	8,024,900
Food Services	0	765,940	0	0	0
Community Services	1,090,145	1,087,823	1,011,753	1,059,855	1,105,360
Capital Outlay	66,070	57,959	0	0	0
Debt Service:					
Principal Retirement	894,090	894,072	991,130	729,481	991,130
Interest & Fiscal Charges	0	0	0	0	0
Reserves			14,042,390	0	164,980
Total Expenditures	87,892,554	105,588,888	108,187,152	69,008,424	97,840,220
Excess (Deficiency) of Revenues over Expenditures	5,068,535	699,227	(12,890,222)	8,125,266	3,870,280
Total Other Financing Sources (Uses)	(7,776,794)	(7,090,570)	(4,093,200)	0	(4,220,280)
Net change in Fund Balance	(2,708,259)	(6,391,343)	(16,983,422)	8,125,266	(350,000)
Fund Balance at July 1,	2,708,259	2,938,599	16,983,422	16,983,422	350,000
Fund Balance at June 30,	0	(3,452,744)	0	25,108,688	0

*This includes $20,617,796 Other Post-Employment Benefits Liabilities for Fiscal Year 2011.
**The Actual figures for 2012 are based only on a partial year which commenced on July 1, 2011 and ended on April 26, 2012 and does not include the Other Post-Employment Benefits Liabilities for Fiscal Year 2012. The partial year Actual results reported above for Fiscal Year 2012 have not been audited.

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

Teachers' Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2011, there were 35,880 active members and 31,043 retirees. The plan reopened for new members as of July 1, 2005.

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

The most recent actuarial valuation of TRS was performed July 1, 2011 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2011, the unfunded liability of TRS was $4.370483 billion. The funded percentage was 53.7%. The State expects the TRS unfunded accrued liability to be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2011, there were approximately 4,554 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

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

TDC Transfer to TRS

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

Other Post Employment Benefits (OPEB)

The Board has adopted Governmental Accounting Standards Board (GASB) Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", which among other things, requires reporting on an accrual basis the liability associated with other postemployment benefits. In conjunction with the implementation of GASB Statement No. 43, the State of West Virginia established the Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, to account for and administer the other postemployment benefits (OPEBs) provided under the multiemployer cost-sharing plan. The PEIA Finance Board was assigned the authority to establish and amend contribution requirements of the plan members and the participating

employers, and PEIA administers the plan. The legislation requires the RHBT to determine through an actuarial study the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the respective employers who are required by law to remit at least the minimum annual premium component of the CRC. The Board is required to participate in the RHBT established for the multiemployer cost-sharing plan. Details regarding this plan can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or http://www.wvpeia.com.

Revenues collected by RHBT are used to fund current OPEB health care claims and administrative expenses with residual funds held in trust for future OPEB costs. The rates charged must generate sufficient revenues to not only meet all expected expenses, including insurance, administrative expenses, and incurred but unreported claims of the RHBT, but also include the amounts necessary to fund the unfunded obligation of the plan over an amortization period not to exceed 30 years.

In an effort to reduce OPEB obligations, after conducting public hearings around the State in November, 2011, the PEIA Finance Board met on December 13, 2011 and adopted its plan for 2012-2013 which, among other things, cut health benefits by approximately $18.4 million per year and set a cap on retiree premium subsidies of $343 per month, effective as of July 1, 2012, for those employees hired on or before July 30, 2010. The $343 retiree premium subsidy cap will increase over time for inflation, but by no more than 3% per year. This action is calculated to reduce the State of West Virginia's OPEB liability by half to $5 billion and is projected to ultimately eliminate the OPEB liability by 2040.

The OPEB liability, Actuarial Accrued Liability (AAL), for the multiple-employer-cost sharing plan, for plan year FY 2012, was estimated at $10.3 billion. This amount represents a substantial unfunded liability for the employers which are a part of the plan. The action taken by the PEIA Finance Board at its December 13, 2011 meeting is estimated to have cut the OPEB liability in half to approximately $5 billion. The PEIA 2012-2013 plan contemplates that State retirees will pay the additional $5 billion over time in the form of higher premiums or reduced benefits or both.

On February 10, 2012, the West Virginia Legislature passed Senate Bill 469 which creates a plan to address the funding of OPEB liabilities associated with the PEIA in the State of West Virginia. The Senate Bill eliminates health care insurance premium subsidies for PEIA insured employees which were hired after July 1, 2010 and sets up the Post July 1, 2010 Employee Trust Fund for the purpose of funding retirement benefits for employees hired after July 1, 2010. Under Senate Bill 469, following the elimination of the actuarial unfunded liability of the State's Workers' Compensation Trust Fund, the State will begin to apply $35 million a year from personal income tax collections as follows: $30 million a year will be deposited into the West Virginia Retiree Health Benefit Trust Fund (until the actuarial unfunded liability is eliminated or July 1, 2037, which ever is later to occur) for the purpose of paying down the remaining $5 billion of long-term OPEB liability associated with the PEIA, and (ii) $5 million a year will be deposited into the Post July 1, 2012 Employee Trust Fund to assist employees hired after July 1, 2010.

For professional employees, service personnel and professional student support personnel of the various County Boards of Education in the State, including the Board, which are employed within the limits permitted by the foundation allowance of the State school aid formula, the necessary OPEB premiums which are required to be paid to PEIA with respect to such employees shall be charged to the State of West Virginia. However, such County Boards of Education, including the Board, retain liability for payment of the necessary OPEB premiums which are required to be paid to PEIA for all professional employees, service personnel and professional student support personnel which are employed by such County Boards of Education in excess of the limits permitted by the foundation allowance of the State school aid formula.

In accordance with GASB requirements, the Board accrues OPEB costs based upon invoices received from PEIA based upon actuarially determined amounts. As of June 30, 2011 and June 30, 2010, the noncurrent liability related to OPEB costs for the Board was $20,617,796 and $11,265,572. The total amount of OPEB

expense incurred for the fiscal year ending June 30, 2011 was $11,823,480. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2010 was $12,173,253. For additional information regarding the Board's liabilities and expenses, see "APPENDIX A – Audit Report of Monongalia County Board of Education for the Fiscal Year Ended June 30, 2011" and the accompanying notes to the financial statements.

Sources: (West Virginia Public Employees Insurance Agency; Monongalia County Board of Education)

Insurance Coverage (Source: Monongalia County Board of Education)

1. Type		Amount in Force (FY 2012)
Deluxe Commercial Property insurance		$241,491,810
Deductible per occurrence		$10,000
Machinery and Equipment insurance		$10,000 per occurrence
Deductible per occurrence		$1,500
Flood insurance		$500,000 to $1,000,000 per building and contents
Deductible per occurrence		$25,000 or $50,000
Public official position bond:	Superintendent	$50,000
	Board President	$50,000
	Treasurer	$600,000
Fidelity Honesty Bond		$100,000

Liability Insurance: The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2011 to July 1, 2012. The Board is insured for the following coverages:

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

2. Limits of Liability

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

SPECIAL LIMITS: The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.

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

TAX MATTERS

In the opinion of Bowles Rice McDavid Graff & Love LLP, Bond Counsel, under existing law, the interest on the Series 2012 Bonds is excludable from gross income 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. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that, under existing law, the Series 2012 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2012 Bonds and the interest thereon.

The opinion on federal tax matters with respect to the Series 2012 Bonds is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Board contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2012 Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The Board has covenanted to take the actions required of it for the interest on the Series 2012 Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the Board's certifications and representations and the continuing compliance with the Board's covenants. Noncompliance with these covenants by the Board may cause the interest on the Series 2012 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012 Bonds. After the date of issuance of the Series 2012 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2012 Bonds or the market prices of the Series 2012 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Series 2012 Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Series 2012 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2012 Bonds. Bond Counsel will express no opinion regarding any such consequences.

Tax Treatment of Accruals on Original Issue Discount Series 2012 Bonds

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Series 2012 Bond is less than the stated redemption price of such Series 2012 Bonds at maturity, then such Series 2012 Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Series 2012 Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Series 2012 Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Series 2012 Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Series 2012 Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount

The "market discount rules" of the Code apply to the Series 2012 Bonds. Accordingly, holders acquiring their Series 2012 Bonds subsequent to the initial issuance of the Series 2012 Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Series 2012 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient. If an owner purchasing the Series 2012 Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2012 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

West Virginia Tax

In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Possible State and Federal Legislative Changes with Respect to Tax-Exempt Bonds

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of bonds issued to finance educational facilities or to limit the extent of the current tax advantages available for tax exempt bonds or to limit the use of tax-exempt bonds. Any such limitation could reduce the Board's ability to finance future capital needs of the School District. The effect on the Board of proposed laws and regulations and future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2012 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. As one example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. For tax years beginning on or after January 1, 2013, the American Jobs Act of 2011, if enacted, would limit the exclusion from gross income of interest on obligations like the Series 2012 Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2012 Bonds. Prospective purchasers of the Series 2012 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.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988 89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an

unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.

2. The decision of the Honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and

3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.

4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age appropriate, non handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, and expresses the opinion of the Board that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse effect on the financial condition of the Board.

On February 22, 2010, forty-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor (the "OPEB Litigation") seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. The Circuit Court of Kanawha County dismissed the suit on the grounds that it was a political question better answered by the West Virginia Legislature. The county boards of education appealed this decision to the West Virginia Supreme Court. The West Virginia Supreme Court upheld the Circuit Court of Kanawha County's decision to dismiss the suit.

The West Virginia Legislature enacted Senate Bill 469 subsequent to the West Virginia Supreme Court's decision in the OPEB Litigation above described. Senate Bill 469 provides that OPEB premiums associated with the PEIA for certain County School Board employees which are employed within the foundation allowance of the State school aid formula are to be charged to the State of West Virginia rather than the County School Boards. However, the County School Boards retain liability for such OPEB premiums for employees which are employed outside of the foundation allowance of the State school aid formula (see Other Post Employment Benefits discussion in this Official Statement for additional detail).

The State of West Virginia's OPEB liability and the Board's OPEB liability may be subject to additional lawsuits and legislative action in the future which could have an effect on the amount of the Board's OPEB liability. No representation can be made regarding the potential outcome of any such lawsuits, if initiated, or the likelihood of any future legislative actions and any effect on the amount of the Board's OPEB liability.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX F (the "Continuing Disclosure Agreement"), to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2012, and to provide notice of the occurrence of the enumerated events listed therein, if material (for those enumerated events which specify a materiality determination). The Annual Information and each notice of enumerated events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the Board (the "Dissemination Agent"), with the Electronic Municipal Markets Access system maintained by the Municipal Securities Rulemaking Board ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Dissemination Agent has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any failure to supply information pursuant to the terms of the Continuing Disclosure Agreement will not constitute a default under the terms of the Bonds or any document executed and delivered in connection therewith. Under the Continuing

Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT."

The Board issued its Series 2004 Bonds in the amount of $50,000,000 on May 26, 2004. In connection with the issuance of the Series 2004 Bonds the Board entered into a Continuing Disclosure Agreement, dated as of May 26, 2004 (the "2004 Disclosure Agreement"), by and between the Board and United Bank, Inc., as dissemination agent. Pursuant to the 2004 Disclosure Agreement the Board agreed to provide its annual audited financial statements to the Dissemination Agent for filing with each of the approved National Repositories for purposes of the Rule within 300 days following the completion of the Board's June 30 Fiscal Year end. The Board also agreed in the 2004 Disclosure Agreement to provide notice of the enumerated events listed therein, if material, to each of the approved National Repositories for purposes of the Rule and to the Municipal Securities Rulemaking Board.

For the fiscal years of the Board ending on June 30, 2006, June 30, 2007 and June 30, 2008, the Board failed to file its audited financial statements with the then approved National Repositories within 300 days following the completion of each such fiscal year as required by the 2004 Disclosure Agreement. However, for each of these fiscal years the audited financial statements were filed with the approved National Repositories within 30 days following the expiration of the permitted 300 day time frame. This failure was primarily due to a misunderstanding with respect to the due date of such continuing disclosure filings. However, the Board is confident that these timing issues have been resolved and that the Board will be able to file its audited financial statements with EMMA within the time frame required by the Continuing Disclosure Agreement. As an indication of the reasonableness of this belief, the Board has filed its audited financial statements with EMMA in a timely fashion for each of its fiscal years ending June 30, 2009, June 30, 2010 and June 30, 2011.

LEGAL MATTERS

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

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of 'AA' based on the Board's eligibility and participation in the West Virginia Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

VERIFICATION AGENT

Grant Thornton LLP, Minneapolis, Minnesota, has been retained as verification agent for the Bonds (the "Verification Agent"). The Verification Agent shall provide a verification of the sufficiency of the escrow for the repayment of the Series 2004 Bonds on the redemption date thereof.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as Underwriter. The Purchase Contract provides that the Underwriter will purchase all the Bonds if any are purchased, the obligation to make such purchase being subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover

page hereof. The Underwriter has agreed to purchase the Bonds, subject to certain conditions, for a purchase price of $47,194,829.60 (par less an Underwriter's discount of $226,767.50 plus a net original issue premium in the amount of $4,806,597.10).

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper.

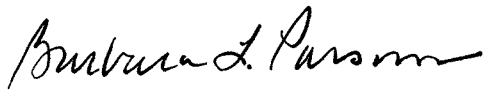
CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the Bonds. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Monongalia.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purposes. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. The distribution of this Official Statement has been approved by the Board. Additional information may be obtained from the undersigned at 13 South High Street, Morgantown, West Virginia, 26501, telephone (304) 291-9210.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA



By: /s/ Dr. Barbara L. Parsons, President

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APPENDIX A

Audit Report of Monongalia County Board of Education for the Fiscal Year Ended June 30, 2011

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MONONGALIA COUNTY BOARD OF EDUCATION

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INDEPENDENT AUDITOR'S REPORT AND RELATED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED JUNE 30, 2011

RFP #10-025 (Monongalia County)

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MONONGALIA COUNTY BOARD OF EDUCATION
INDEX OF FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

GOVERNMENTAL FUND TYPES

General Current Expense

Special Revenue Funds

Restricted Projects

ARRA – Restricted Projects

Debt Service

Capital Projects Funds

Bond Construction

Permanent Improvement

Capital Projects

FIDUCIARY FUND TYPE

School Activity Funds

MONONGALIA COUNTY BOARD OF EDUCATION
BOARD OFFICIALS
JUNE 30, 2011

Title	Elected Officials	Term
Board Member	Nancy A. Walker	July 1, 2008 – June 30, 2012
Board Member	Dr. Clarence Harvey, Jr.	July 1, 2010 – June 30, 2014
Board Member	Dr. Barbara L. Parsons	July 1, 2010 – June 30, 2014
Board Member	Joseph C. Statler	July 1, 2008 – June 30, 2012
Board Member	Mike Kelly	July, 1, 2010 – June 30, 2014
	Appointed Officials	
Board President	Dr. Barbara L. Parsons	July 1, 2010 – June 30, 2012
Superintendent	Frank D. Devono	July 1, 2008 – June 30, 2011
Treasurer	W. Terry Hawkins	July 1, 2010 – June 30, 2011

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • www.tetrickbartlett.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

We have audited the accompanying financial statements of the governmental activities and each major fund of Monongalia County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Monongalia County 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Monongalia County Board of Education, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the Board of Education implemented the provisions of Governmental Accounting Standards Board Statement Number 24, "*Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*" and Governmental Accounting Standards Board Statement Number 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," in the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2012, on our consideration of the Monongalia County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 14 and 60 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monongalia County Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Also, the accompanying other supplementary information of the schedule of changes in School Activity Funds is presented for purposes of additional analysis and are not a required part of the basic financial statements of Monongalia County Board of Education. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Tetrick & Bartlett, PLLC

March 11, 2012

MONONGALIA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Our discussion and analysis of the Monongalia County Board of Education's (Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2011. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's net assets exceeded liabilities by approximately $107.5 million *(net assets)* at the close of the most recent fiscal year. Of this amount, the Board had an unrestricted net asset balance deficit of approximately $3.2 million *(unrestricted net assets)* and approximately $12.0 million of restricted net assets.

- The Board's total net assets decreased by approximately $1.5 million. This decrease was primarily due to an increase in the Other Post Employment Benefit (OPEB) related liability.

- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately $8.2 million, a decrease of approximately $9.8 million in comparison with the prior year. This decrease is also because of the increase in the OPEB related liability.

- At the end of the current fiscal year, unassigned fund balance deficit for the general fund was approximately $6.3 million, or six percent of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements - The district-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Board's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing or related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The district-wide financial statements can be found on the pages following this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the special revenue ARRA fund, bond construction fund, permanent improvement fund, capital projects fund, and the debt service fund, all of which are considered major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page following pages.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages following the basic financial statements.

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by approximately $107.5 million at the close of the most recent fiscal year.

- The largest portion of the Board's net assets (approximately 92%) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- An additional portion of the Board's net assets (approximately 11%) represents resources that are subject to external restrictions on how they may be used.

- The remaining balance of unrestricted net assets (approximate deficit of 3%) represents cash and other receivable balances and may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget.

The following summarizes the statement of net assets at June 30, 2011 in comparison with the year ended June 30, 2010:

	Governmental Activities	
	2011	2010
ASSETS		
Current and other assets	$ 43,929,011	$ 43,355,083
Capital assets	149,411,675	140,338,888
TOTAL ASSETS	$ 193,340,686	$ 183,693,971

	Governmental Activities	
	2011	2010
LIABILITIES AND NET ASSETS		
Liabilities		
Current and other liabilities	$ 37,515,236	$ 26,283,152
Long-term liabilities outstanding	48,257,811	48,313,889
Total liabilities	85,773,047	74,597,041
Net Assets		
Invested in capital assets, net of related debt	99,097,786	90,197,551
Restricted	11,701,971	15,165,234
Unrestricted	(3,232,118)	3,734,145
Total net assets	107,567,639	109,096,930
TOTAL LIABILITIES AND NET ASSETS	$ 193,340,686	$ 183,693,971

The key elements of the changes in the Board's statement of net assets for the year ended June 30, 2011 are as follows:

- The Board's net assets decreased by approximately $1.8 million which was primarily due to increases in capital assets from ongoing construction and property tax revenue offset by decreases as a result of the OPEB liability increase for the 2011 year.

- The Boards current assets increased by approximately $761 thousand which was primarily the result of an increase in cash and receivables.

- The Boards capital assets increased by approximately $8.5 million net of accumulated depreciation. This is primarily a result of the construction at several of the County Board's school facilities. More discussion is noted below.

- The Board's current liabilities increased by approximately $11.1 million which was the result of an increase in the OPEB liability as discussed above.

The following summarizes the statement of activities at June 30, 2011 in comparison with the year ended June 30, 2010:

	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	$ 5,494,392	$ 5,320,649
Operating grants and contributions	17,743,219	17,686,553
Capital grants and contributions	656,565	4,063,217
General revenues:		
Property taxes	49,931,429	48,163,762
Unrestricted state aid	58,099,190	44,352,801
Unrestricted investment earnings	243,347	265,026
Unrestricted grants and contributions	419,464	340,869
Gain (loss) on sale of assets	136,592	113,495
Total revenues	132,724,198	120,306,372
Expenses		
Instruction	85,391,873	73,216,974
Supporting services:		
Students	4,905,807	5,572,160
Instructional staff	3,204,985	2,834,887
District admin.	1,654,909	1,717,959
School admin.	3,803,883	4,853,548
Business services	1,895,167	1,746,843
Operation and Maintenance	13,985,059	11,972,348
Transportation	9,680,218	8,261,900
Total supporting services	39,130,028	36,959,645
Food services	6,389,128	5,355,868
Community services	1,101,217	845,003
Interest on long-term debt	2,241,243	2,289,748
Total expenses	134,253,489	118,667,238
Change in net assets	(1,529,291)	1,639,134
Net assets – July 1	109,096,930	107,457,796
Net assets – June 30	$ 107,567,639	$ 109,096,930

The key elements of the changes in the Board's statement of activities for the year ended June 30, 2011 are as follows:

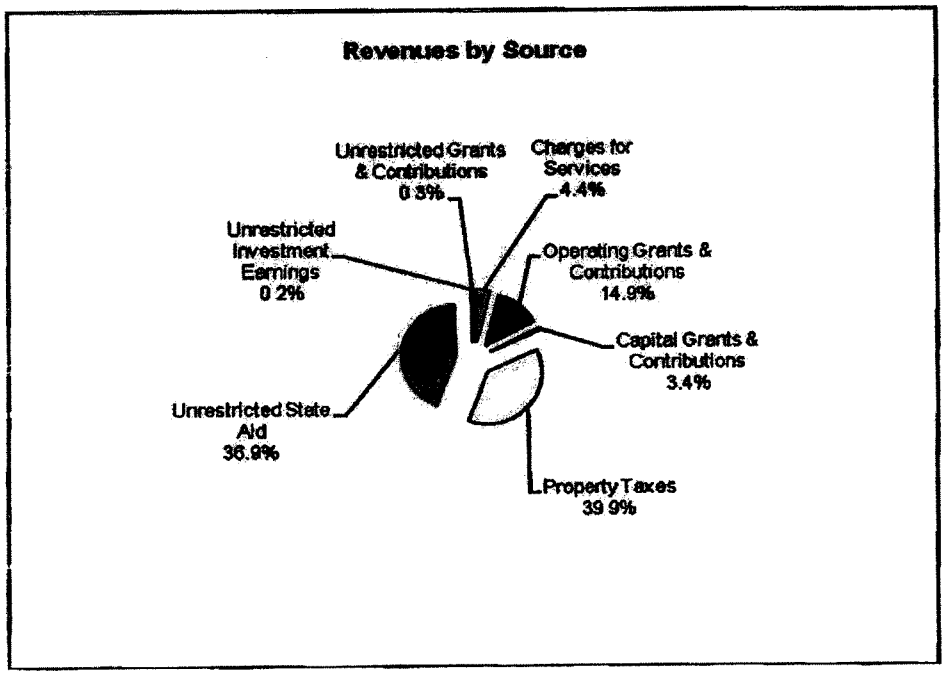
- The Board's capital grants and contributions decreased by approximately $3.1 million due to the timing of several capital projects in which the Board received revenue from the West Virginia School Building Authority (SBA) in 2010 versus 2011.

- The Board's property taxes increased by approximately $1.8 million due to an increased in the assessed valuations in the county for the 2011 fiscal year.

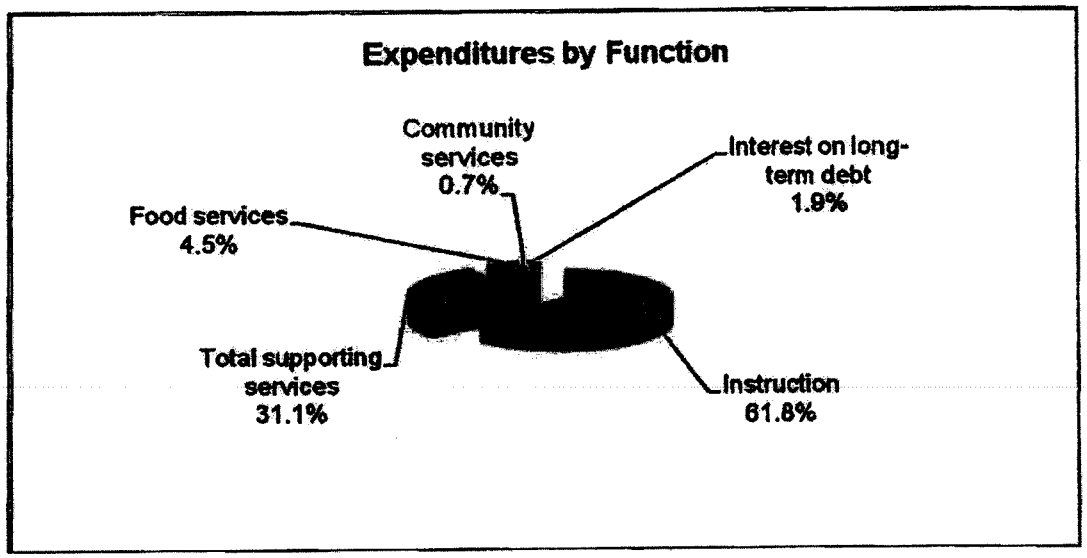
- The Board's unrestricted state aid revenue increased by approximately $13.8 million as a result of the State of West Virginia's additional payment on behalf to the Consolidated Retirement Board for the unfunded retirement.

- Overall, total expenses increased by approximately $16.0 million primarily due to an increase in the payment on behalf to the Consolidated Retirement Board for the unfunded retirement by the State of West Virginia and other minor increases in costs.

The following chart shows the Board's revenues for fiscal year ended June 30, 2011 by source:



The following chart shows the Board's expenditures for fiscal year ended June 30, 2011 by function:



Financial Analysis of the Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately $8.2 million. The net change in fund balance was a decrease of approximately $9.8 million which was due primarily to the OPEB expense increases discussed above.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. Nonspendable, restricted, committed, and assigned indicate the portion of the Board's fund balances that are not available for appropriation. The unassigned fund balance is available expendable financial resources in governmental funds. The Board had a deficit unassigned fund balance of approximately $6.5 million which was primarily a result of the OPEB liability and related expense.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was approximately $3.2 million or three percent in total general fund expenditures. The most significant differences are related to budget carryover transactions.

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2011, amounts to approximately $149.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total increase in the Board's investment in capital assets for the current fiscal year was approximately $8.5 million, net of depreciation expense. The increase was primarily a result of the continued construction of buildings throughout the County for various improvements, additions, and new construction. Construction was ongoing at Ridgedale Elementary, Mountaineer Middle School, Eastwood Elementary, Cheat Lake Elementary, Mason Dixon Elementary, Clay Battelle High School, Morgantown High School and other various projects throughout the County.

A comparison of the capital asset balances in comparison with the year ended June 30, 2011 is as follows:

	Governmental Activities	
	2011	2010
Land	$ 6,700,346	$ 3,803,702
Buildings and improvements	132,487,176	127,137,149
Land improvements	800,167	613,303
Furniture and equipment	2,806,300	2,548,214
Vehicles	3,205,210	2,682,339
Construction in process	3,412,476	3,554,181
Total capital assets	$ 149,411,675	$ 140,338,888

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

Long-term debt and other post employment benefit liability. At the end of the current fiscal year, the Board had bonded debt outstanding of approximately $43.9 million and capital lease obligations of approximately $6.4 million. During the year ended June 30, 2011, the Board entered into a new Qualified Zone Academy Bond (QZAB) in the amount of $2 million. The QZAB has a zero percent interest rate and is going to be used for energy conservation equipment in various schools within the county. The Board also had a liability for compensated absences in the amount of $627 thousand.

The following summarizes the long-term debt at June 30, 2011:

	Governmental Activities	
	2011	2010
General obligation bonds	$ 43,905,000	$ 45,040,000
Capital lease obligations	6,408,889	5,101,337
Compensated absences	626,821	686,484
Total debt outstanding	$ 50,940,710	$ 50,827,821

Beginning July 1, 2007, because of the State of West Virginia implementation of GASB Statement 45, West Virginia State Code required the Board to participate in a new OPEB multi-employer trust fund for sick leave liability. As such, the Board received billings from the trust fund which when paid will increase the Board's cash expenditures. The Board's OPEB liability increased from $11.3 million as of July 1 to $20.6 million as of June 30 an increase of approximately $9.3 million. This was the direct result of the current year annual required contribution for the OPEB liability. This liability is considered both a fund statement liability and a district wide liability.

Additional information on the Board's long-term debt can be found in notes to the basic financial statements.

Factors Bearing on the Board's Future

At the time these financial statements were prepared and audited, the Board was aware of circumstances that could significantly affect its financial health in the future:

- Beginning July 1, 2007, because of the State of West Virginia implementation of GASB Statement 45, West Virginia State Code required the Board to participate in a new Other Post Employment Benefit (OPEB) multi-employer trust fund for sick leave liability. As of June 30, 2011 the Board had a liability of approximately $20.6 million of which approximately $18.1 million represents the Board's share for State Aid eligible employees. Currently, the State of West Virginia has not appropriated any funds to cover this liability although the Board is of the opinion that the State is constitutionally required to appropriate sufficient funds to cover the cost of the annual required contribution for State Aid eligible employees. The State of West Virginia did not provide an additional appropriation for a portion of the State Aid eligible employees OPEB cost for 2011. Currently, the State of West Virginia has not appropriated any such amounts for the 2012 fiscal year which could result in a significant increase in the Board's liability for future years.

- The Board received approximately $350 thousand in additional Title I funds and $1.3 million in Individual with Disabilities Education Act funds from the American Recovery and Reinvestment Act in 2011. The Board also received an additional $3.3 million in fiscal stabilization funds during 2011 which was offset by a reduction in State Aid dollars. The Board anticipates receiving approximately $2.75 million in ARRA funds during 2012.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Office of the Superintendent at 13 South High Street, Morgantown, WV 26501 or (304) 291-9210.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 34,140,333
Investments	2,114,398
Prepaid expenses	354,313
Taxes receivable, net of allowance for uncollectible taxes	1,171,704
Food services receivable	479,103
Other receivables	612,513
Due from other governments:	
PEIA allocation receivable	1,294,542
Reimbursements receivable	3,762,105
Capital Assets	
Land	6,700,346
Buildings and improvements	169,563,098
Land improvements	2,382,526
Furniture and equipment	15,310,212
Vehicles	8,445,294
Construction in process	3,412,476
Less accumulated depreciation	(56,402,277)
Total capital assets, net of depreciation	149,411,675
TOTAL ASSETS	$ 193,340,686

	Governmental Activities
LIABILITIES AND NET ASSETS	
Liabilities	
Salaries payable and related payroll liabilities	$ 4,825,081
PEIA premiums payable	1,713,960
Other liabilities	304,457
Compensated absences	626,821
Accounts payable	4,852,947
Deferred revenue	2,147,401
Other post employment benefit payable	20,617,796
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	2,056,078
Accrued interest	370,695
Due beyond one year:	
Bonds, capital leases, and contracts	48,257,811
Total liabilities	85,773,047
Net Assets	
Invested in capital assets, net of related debt	99,097,786
Restricted for:	
Debt service	2,434,022
Special projects	(40,353)
Capital projects	9,308,302
Unrestricted	(3,232,118)
Total net assets	$ 107,567,639

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue & Changes in Net Assets Governmental Activities
Governmental Activities:					
Instruction	$ 85,391,873	$ 1,516,800	$ 12,093,005	$ 656,565	$(71,125,503)
Supporting services:					
Students	4,905,807	87,968	694,656	-0-	(4,123,183)
Instructional staff	3,204,985	57,380	453,113	-0-	(2,694,492)
District administration	1,654,909	29,695	234,490	-0-	(1,390,724)
School administration	3,803,883	68,097	537,741	-0-	(3,198,045)
Business services	1,895,167	33,937	267,989	-0-	(1,593,241)
Operation and maintenance of facilities	13,985,059	250,730	1,979,945	-0-	(11,754,384)
Student transportation	9,680,218	173,479	1,369,918	-0-	(8,136,821)
Food services	6,389,128	3,276,306	112,362	-0-	(3,000,460)
Community services	1,101,217	-0-	-0-	-0-	(1,101,217)
Interest on long-term debt	2,241,243	-0-	-0-	-0-	(2,241,243)
Total governmental activities	$ 134,253,489	$ 5,494,392	$ 17,743,219	$ 656,565	(110,359,313)
General Revenues:					
Property taxes					49,931,429
Unrestricted state aid					58,099,190
Unrestricted investment earnings					243,347
Unrestricted grants and contributions					419,464
Gain (loss) on sale of assets					136,592
Transfers in					(10,534,472)
Transfers (out)					10,534,472
Total general revenues, other items and transfers					108,830,022
Change in net assets					(1,529,291)
Net assets – beginning					109,096,930
Net assets – ending					$ 107,567,639

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
BALANCE SHEETS -
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
ASSETS								
Cash and cash equivalents	$ 22,811,068	$ -0-	$ -0-	$ 289,849	$ 57,237	$ 10,961,841	$ 20,338	$ 34,140,333
Investments	5,000	-0-	-0-	2,109,398	-0-	-0-	-0-	2,114,398
Prepaid expenses	354,313	-0-	-0-	-0-	-0-	-0-	-0-	354,313
Taxes receivable, net	1,045,135	-0-	-0-	126,569	-0-	-0-	-0-	1,171,704
Food service receivable, net	-0-	479,103	-0-	-0-	-0-	-0-	-0-	479,103
Other receivables	612,449	-0-	-0-	64	-0-	-0-	-0-	612,513
Due from other governments:								
PEIA allocation receivable	1,294,542	-0-	-0-	-0-	-0-	-0-	-0-	1,294,542
Reimbursements receivable	-0-	2,695,986	394,654	-0-	-0-	671,465	-0-	3,762,105
Due from other funds	396,223	-0-	-0-	-0-	-0-	-0-	-0-	396,223
TOTAL ASSETS	$ 26,518,730	$ 3,175,089	394,654	$ 2,525,880	$ 57,237	$ 11,633,306	$ 20,338	$ 44,325,234

MONONGALIA COUNTY BOARD OF EDUCATION
BALANCE SHEETS -
GOVERNMENTAL FUNDS (CONT'D)
JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
LIABILITIES AND FUND BALANCES								
Liabilities								
Salaries payable and related payroll liabilities	$ 4,825,081	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 4,825,081
PEIA premiums payable	1,713,960	-0-	-0-	-0-	-0-	-0-	-0-	1,713,960
Other liabilities	304,457	-0-	-0-	-0-	-0-	-0-	-0-	304,457
Accounts payable	1,731,684	693,522	25,162	-0-	43,794	2,358,785	-0-	4,852,947
Other post employment benefits payable	20,617,796	-0-	-0-	-0-	-0-	-0-	-0-	20,617,796
Deferred revenue	778,496	2,495,189	-0-	91,858	-0-	-0-	-0-	3,365,543
Due to other funds	-0-	26,731	369,492	-0-	-0-	-0-	-0-	396,223
Total liabilities	29,971,474	3,215,442	394,654	91,858	43,794	2,358,785	-0-	36,076,007
Fund Balances								
Nonspendable	354,313	-0-	-0-	-0-	-0-	-0-	-0-	354,313
Restricted	1,399,448	-0-	-0-	2,434,022	13,443	9,760,942	20,338	13,628,193
Committed	1,272,784	-0-	-0-	-0-	-0-	-0-	-0-	1,272,784
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	(6,479,289)	(40,353)	-0-	-0-	-0-	(486,421)	-0-	(7,006,063)
Total fund balances (deficit)	(3,452,744)	(40,353)	-0-	2,434,022	13,443	9,274,521	20,338	8,249,227
TOTAL LIABILITIES AND FUND BALANCES	$ 26,518,730	$ 3,175,089	$ 394,654	$ 2,525,880	$ 57,237	$ 11,633,306	$ 20,338	$ 44,325,234

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEETS - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

Total governmental fund balance	$	8,249,227
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 fund balance sheet.		149,411,675
Property taxes receivable, food service billings receivable, and medicaid receivables will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the fund balance sheet.		1,218,142
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable		(43,905,000)
Accrued interest on bonds		(370,695)
Capital lease payable		(6,408,889)
Compensated absences		(626,821)
Net assets of governmental activities	$	107,567,639

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Revenues								
Property taxes	$ 46,918,055	$ -0-	$ -0-	$ 3,689,765	$ -0-	$ -0-	$ -0-	$ 50,607,820
Other local sources	1,042,394	1,520,925	-0-	8,038	-0-	-0-	-0-	2,571,357
State sources	56,932,296	4,150,307	-0-	-0-	-0-	1,200,050	-0-	62,282,653
Federal sources	1,236,854	11,462,903	5,065,907	-0-	-0-	-0-	-0-	17,765,664
Miscellaneous sources	158,516	-0-	-0-	-0-	7,202	-0-	-0-	165,718
Total revenues	106,288,115	17,134,135	5,065,907	3,697,803	7,202	1,200,050	-0-	133,393,212
Expenditures								
Instruction	61,320,730	11,246,649	4,763,433	-0-	-0-	-0-	-0-	77,330,812
Supporting services:								
Students	6,041,844	421,202	134,886	-0-	-0-	-0-	-0-	6,597,932
Instructional staff	2,386,638	722,384	97,400	-0-	-0-	-0-	-0-	3,206,422
Central administration	1,475,883	167,926	2,821	-0-	-0-	350	-0-	1,646,980
School administration	6,665,513	70,221	-0-	-0-	-0-	-0-	-0-	6,735,734
Business	1,834,791	61,202	-0-	-0-	-0-	-0-	-0-	1,895,993
Operation and maintenance of facilities	14,018,220	66,366	-0-	-0-	-0-	-0-	-0-	14,084,586
Student transportation	9,039,475	1,069,100	17,956	-0-	-0-	-0-	-0-	10,126,531
Food services	765,940	5,879,590	-0-	-0-	-0-	-0-	-0-	6,645,530
Community services	1,087,823	13,519	-0-	-0-	-0-	-0-	-0-	1,101,342
Capital outlay	57,959	-0-	-0-	-0-	-0-	11,113,153	422,022	11,593,134
Debt service:								
Principal retirement	894,072	-0-	-0-	1,135,000	-0-	-0-	-0-	2,029,072
Interest and fiscal charges	-0-	-0-	-0-	2,253,750	-0-	-0-	-0-	2,253,750
Total expenditures	105,588,888	19,718,159	5,016,496	3,388,750	-0-	11,113,503	422,022	145,247,818
Excess (deficiency) of revenues over (under) expenditures	699,227	(2,584,024)	49,411	309,053	7,202	(9,913,453)	(422,022)	(11,854,606

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

	General Current Expense	Special Revenue Fund	ARRA Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Other Financing Sources (Uses)								
Transfers in	$ 343,558	$ 2,691,921	$ 371	$ -0-	$ -0-	$ 7,396,817	$ 101,805	$ 10,534,472
Capital lease proceeds	-0-	-0-	-0-	-0-	-0-	2,000,000	-0-	2,000,000
Transfers (out)	(7,434,128)	(254,501)	(49,782)	-0-	(2,796,061)	-0-	-0-	(10,534,472
Total other financing sources (uses)	(7,090,570)	2,437,420	(49,411)	-0-	(2,796,061)	9,396,817	101,805	2,000,000
Net change in fund balances	(6,391,343)	(146,604)	-0-	309,053	(2,788,859)	(516,636)	(320,217)	(9,854,606
Fund balances – beginning	2,938,599	106,251	-0-	2,124,969	2,802,302	9,791,157	340,555	18,103,833
Restatement of fund balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund balances – beginning, as restated	2,938,599	106,251	-0-	2,124,969	2,802,302	9,791,157	340,555	18,103,833
Fund balances (deficit) – ending	$(3,452,744)	$(40,353)	$ -0-	$ 2,434,022	$ 13,443	$ 9,274,521	$ 20,338	$ 8,249,227

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Amounts reported for governmental activities in the statement of activities are different due to:	
Net change in fund balances – total governmental funds	$ (9,854,606)
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	(4,366,685)
Capital outlays	13,461,396
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.	(647,090)
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.	1,827,448
Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net assets in the statement of activities.	
Cost of assets disposed	(761,952)
Accumulated depreciation of assets disposed	740,028
Compensated absences are reported as liabilities in the statement of net assets, but are only reported in governmental funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.	
Accrued vacation payable	59,663
Accrued sick leave payable	-0-
Capital lease proceeds are reported as liabilities in the statement of net assets instead of net assets instead of as financing transfers in the governmental activities.	(2,000,000)
Accrued interest is required to be reported as a liability in the statement of net assets of the district wide financial statements. The following represents the change in accrued interest receivable for the year.	12,507
Change in net assets of governmental activities.	$ (1,529,291)

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2011

	Agency Funds School Activity Funds
ASSETS	
Cash and cash equivalents	$ 2,059,805
TOTAL ASSETS	$ 2,059,805
LIABILITIES	
Due to other funds	$ 2,059,805
TOTAL LIABILITIES	$ 2,059,805

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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 Monongalia 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 (as amended by GASB Statement 39) establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the 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 amended by GASB Statement 39) 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.

The accompanying independent auditor's report is an integral part of these notes.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The ***fund financial statements*** provide information about the individual funds maintained by the School Board. All funds maintained by the school 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.

The accompanying independent auditor's report is an integral part of these notes.

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, 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 accompanying independent auditor's report is an integral part of these notes.

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 in the appropriate fund balance category (restricted, committed or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2011 were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Investments of the Board at June 30, 2011 consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
Municipal Bond Commission	$ 2,109,398	$ 2,109,398	$ 2,109,398
Certificate of deposit	5,000	5,000	5,000
Total investments	$ 2,114,398	$ 2,114,398	$ 2,114,398

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the Board's name. 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, 2011, the Board has $2,109,398 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.

The accompanying independent auditor's report is an integral part of these notes.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues. The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2011, the Pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by $391,993 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund Receivables and Payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The accompanying independent auditor's report is an integral part of these notes.

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:

It is the Board's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation benefits may be accumulated up to thirty days and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred as compensated absences.

The accompanying independent auditor's report is an integral part of these notes.

K. Other Post Employment Benefits (OPEB):

It is the Board's policy to permit employees to accumulate earned but unused sick leave benefits. Sick leave benefits can be accumulated up to an unlimited number of days and carried forward to the subsequent fiscal year. In lieu of a cash payment at retirement, an employee can elect to use accumulated sick leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest. This liability is calculated as part of the Board's OPEB liability. See Note 10 for further discussion.

L. Long-term Obligations:

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

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, 2011.

The accompanying independent auditor's report is an integral part of these notes.

Effective July 1, 2010, the Board adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes new standards of accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member School Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2011. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

The accompanying independent auditor's report is an integral part of these notes.

N. Net Assets:

Net assets are classified into four categories according to external donor restrictions or availability of assets for satisfaction of Board obligations. The Board's net assets are classified as follows:

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

- **Restricted net assets, expendable** – This includes resources in which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- **Restricted net assets, nonexpendable** – This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. The Board does not have any restricted nonexpendable assets at June 30, 2011.

- **Unrestricted net assets** – This represents resources derived from other than capital assets or restricted net assets. These resources are used for transactions relating to the general operation of the Board, and may be used at the discretion of the Board to meet current expenses for any lawful purpose.

O. 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.

The accompanying independent auditor's report is an integral part of these notes.

P. 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.

Q. Restricted Resources:

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unassigned.

Note 2 - 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 (pay-as-you go) amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State 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.

The accompanying independent auditor's report is an integral part of these notes.

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. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2011, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Function	General Current Expense Fund	Special Revenue Fund
X11XX	$ 11,893,141	$ -0-
X21XX	1,127,223	-0-
X22XX	632,256	-0-
X23XX	58,739	-0-
X24XX	1,500,281	-0-
X25XX	231,163	-0-
X26XX	506,630	490
X27XX	991,412	-0-
X31XX	765,940	94,813
X45XX	6,038	-0-

The above over expenditures in the General Current Expense Fund were caused entirely by the journal entries to book the OPEB Liability and the unfunded retirement on-behalf payment for fiscal year FY11 which were not required to be budgeted. The overexpenditures in the Special Revenue Fund programs were funded by available beginning fund balance and/or revenues received in excess of the anticipated amounts budgeted.

The accompanying independent auditor's report is an integral part of these notes.

C. Deficiencies in Net Changes in Fund Balances:

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
General Current Expense Fund	$ 6,391,343
Special Revenue Fund	146,604
Bond Construction Fund	2,788,859
Permanent Improvement Fund	(516,636)
Capital Projects Fund	320,217

The following fund had a deficit fund balance:

Fund	Amount
General Current Expense Fund	$ 3,452,744
Special Revenue Fund	40,353

The deficiency in the General Fund was primarily caused by the liability of $20.6 million for the annual required contribution portion of OPEB liability. Funds sufficient to provide for the excess expenditures for the other Funds were made available from other sources within each Fund and the deficiency had no impact on the financial results of the Funds.

Note 3 - Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 24 – As of July 1, 2010, the Board implemented GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This statement requires the Board to record as a revenue and expenditure on behalf payments made by the State to the Consolidated Public Retirement Board for the unfunded liability of the Teachers Retirement System and disclose those amounts in the accompanying notes to the financial statements.

The accompanying independent auditor's report is an integral part of these notes.

GASB 54 – As of July 1, 2010, the Board implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the terminology used to describe fund balances in the governmental funds and expanded the disclosure of those new definitions in the accompanying notes to the financial statements of the Board for the year ended June 30, 2011.

Note 4 - Risk Management:

The Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third-party liability claims.

Public Employees Insurance Agency (PEIA): The Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Members may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third party insurer.

The accompanying independent auditor's report is an integral part of these notes.

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.

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.

The accompanying independent auditor's report is an integral part of these notes.

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, 2011 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ -0-	19.40¢	17.21¢	2.81¢
Class II	1,559,982,982	38.80¢	34.42¢	5.62¢
Class III	1,706,934,100	77.60¢	68.84¢	11.24¢
Class IV	824,199,337	77.60¢	68.84¢	11.24¢

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.

The accompanying independent auditor's report is an integral part of these notes.

Note 6. - Excess Levy

The Board had an excess levy in effect during the fiscal year ended June 30, 2011. The levy was authorized by the voters of the county at an election held on November 7, 2006 for the fiscal years ended June 30, 2008 through June 30, 2012 to provide funds for the following purposes:

Instructional materials, supplies, services, textbooks, equipment, physical education and duplication services, approximately $1,100,000 annually;

Equipment, supplies and services in accordance with the Monongalia County technology plan, approximately $750,000 annually;

Library/media center books, supplies, equipment and services, approximately $92,000 annually;

Materials, equipment, supplies and services for programs in general, instrumental and vocal music, art and drama, approximately $120,000 annually;

Math/science supplies, equipment and services for classrooms and laboratories, approximately $70,000 annually;

Supplies and equipment to supplement the Monongalia County Technical Education Center programs, approximately $75,000 annually;

Supplies, services and equipment to supplement pupil services, community schools, after school programs, summer programs, Law Enforcement, alternative education and health services, approximately $900,000 annually;

Extracurricular activities including, but not limited to, recreation programs, athletics, academic programs and services, and upgrade athletic facilities and playgrounds, approximately $875,000 annually;

Salary, supplies and travel for County 4-H program support, approximately $20,000 annually;

Supplement the student services provided by the Monongalia County public libraries, approximately $20,000 annually;

Repair, maintenance and improvements to buildings, facilities and equipment and to meet existing local, state and federal regulations and codes including, but not limited to, fire marshal, health department, Department of Environmental Protection and Americans with Disabilities Act, approximately $1,250,000 annually;

The accompanying independent auditor's report is an integral part of these notes.

Supplement professional personnel and service personnel salaries and benefits, staff to address enrollment increases and/or reduced teacher/student ratio, an elective program grades 9-12, and for non-funded professional and service personnel mandates, approximately $9,194,074 annually;

Materials, supplies, services, security and equipment for the operation of facilities, approximately $1,150,000 annually;

Pupil transportation services including, but not limited to, the acquisition, operation, maintenance and repair of school buses, approximately $450,000 annually;

A total of $22,438,977 was received by the Board from the excess levy during the fiscal year ended June 30, 2011.

Note 7 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2011, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	$ 3,803,702	$ 2,896,744	$ (100)	$ 6,700,346
Construction in process	3,554,181	8,219,174	(8,360,879)	3,412,476
Total non-depreciable capital assets	7,357,883	11,115,918	(8,360,979)	10,112,822
Capital assets, depreciable:				
Buildings and improvements	161,115,334	8,629,273	(181,509)	169,563,098
Land improvements	2,116,374	266,152	-0-	2,382,526
Furniture and equipment	14,588,487	767,297	(45,572)	15,310,212
Vehicles	7,936,430	1,043,635	(534,771)	8,445,294
Total depreciable capital assets	185,756,625	10,706,357	(761,852)	195,701,130
Less accumulated depreciation for:				
Buildings and improvements	(33,978,185)	(3,263,121)	165,384	(37,075,922)
Land improvements	(1,503,071)	(79,288)	-0-	(1,582,359)
Furniture and equipment	(12,040,273)	(503,512)	39,873	(12,503,912)
Vehicles	(5,254,091)	(520,764)	534,771	(5,240,084)
Total accumulated depreciation	(52,775,620)	(4,366,685)	740,028	(56,402,277)
Total depreciable capital assets, net	132,981,005	6,339,672	(21,824)	139,298,853
Total capital assets, net	$ 140,338,888	$ 17,455,590	$ (8,382,803)	$ 149,411,675

The accompanying independent auditor's report is an integral part of these notes.

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

Instruction	$ 3,138,405
Supporting Services:	
Student support services	238,363
Central administration	8,452
School administration	174,956
Operation and maintenance of facilities	86,850
Transportation	445,765
Food services	273,894
Total depreciation expense – governmental activities	$ 4,366,685

Note 8 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Amounts due within one year	Amounts due past one year
General obligation debt	$ 45,040,000	$ -0-	$ 1,135,000	$ 43,905,000	$ 1,190,000	$ 42,715,000
Compensated absences	686,484	-0-	59,663	626,821	626,821	-0-
Capital lease payable	5,101,337	2,000,000	692,448	6,408,889	866,078	5,542,811
Long-term liabilities	$ 50,827,821	$ 2,000,000	$ 1,887,111	$ 50,940,710	$ 2,682,899	$ 48,257,811

General Obligation Bonds – General obligation bonds payable at June 30, 2011, with their outstanding balance are comprised of the following individual issues:

Bond Issue of 2004	$ 45,040,000

The accompanying independent auditor's report is an integral part of these notes.

On May 1, 2004, the Board issued $50,000,000 in general obligation bonds to provide funds for the purpose of providing adequate, safe and convenient educational facilities for the school district. The bonds mature in varying annual increments through May 1, 2033 and interest is payable semiannually at 4.00-6.00%. Payments on the general obligation bonds payable during the year were made from the debt service fund. The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	$ 1,190,000	$ 2,183,350	$ 3,373,350
2013	1,245,000	2,135,750	3,380,750
2014	1,300,000	2,073,500	3,373,500
2015	1,360,000	2,008,500	3,368,500
2016	1,425,000	1,940,500	3,365,500
2017	1,490,000	1,869,250	3,359,250
2018	1,560,000	1,794,750	3,354,750
2019	1,635,000	1,716,750	3,351,750
2020	1,710,000	1,635,000	3,345,000
2021	1,790,000	1,549,500	3,339,500
2022	1,870,000	1,460,000	3,330,000
2023	1,960,000	1,366,500	3,326,500
2024	2,050,000	1,268,500	3,318,500
2025	2,145,000	1,166,000	3,311,000
2026	2,245,000	1,058,750	3,303,750
2027	2,350,000	946,500	3,296,500
2028	2,460,000	829,000	3,289,000
2029	2,575,000	706,000	3,281,000
2030	2,690,000	577,250	3,267,250
2031	2,820,000	442,750	3,262,750
2032	2,950,000	301,750	3,251,750
2033	3,085,000	154,250	3,239,250
Total	$ 43,905,000	$ 29,184,100	$ 73,089,100

Total bonded indebtedness at July 1, 2010	$ 45,040,000
Issuances	-0-
Maturities	1,135,000
Total bonded indebtedness at June 30, 2011	$ 43,905,000

The accompanying independent auditor's report is an integral part of these notes.

Of the total amount required to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments, the following summarizes the current and long-term portions:

Total bonded payable at June 30, 2011	$ 43,905,000
Less: Current portion	1,190,000
Long-term bonds payable	$ 42,715,000

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 noncancelable for financial reporting purposes. Other leases, principally for equipment, are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Operating lease expenditures for the year ended June 30, 2011 were $156,096.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby HVAC equipment has been installed in two schools. The equipment is leased for a period of ten years beginning July 12, 2006. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2011, are as follows:

Year	
2012	$ 635,377
2013	635,377
2014	635,377
2015	635,377
2016	264,741
Less: Amount representing interest	354,251
Present value of minimum lease payments	$ 2,451,998

The accompanying independent auditor's report is an integral part of these notes.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for Suncrest Middle School equipment and those assets are leased from Bank of America for a period of fifteen years beginning June 16, 2003. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year Ended June 30,	
2012	$ 22,413
2013	22,413
2014	22,413
2015	22,413
2016	22,413
2017	22,413
2018	22,413
Present value of minimum lease payments	$ 156,891

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for renovation of classrooms, asbestos abatement and the redesign of existing classrooms at Cheat Lake Elementary School and those assets are leased from Clear Mountain Bank, Inc. for a period of ten years beginning December 17, 2009. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The accompanying independent auditor's report is an integral part of these notes.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year	
2012	$ 200,000
2013	200,000
2014	200,000
2015	200,000
2016	200,000
2017	200,000
2018	200,000
2019	200,000
2020	200,000
Present value minimum lease payments	$ 1,800,000

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for energy conservation equipment in various schools within the county and those assets are leased from Centra Bank, Inc. for a period of ten years beginning May 3, 2011. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The accompanying independent auditor's report is an integral part of these notes.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year	
2012	$ 133,000
2013	133,000
2014	133,000
2015	133,000
2016	133,000
2017	133,000
2018	133,000
2019	133,000
2020	133,000
2021	133,000
2022	134,000
2023	134,000
2024	134,000
2025	134,000
2026	134,000
Present value minimum lease payments	**$ 2,000,000**

The assets acquired through capital leases are as follows:

Assets, net of accumulated depreciation:	
Furniture and equipment	$ 4,300,000
Total assets, net accumulated depreciation	$ 4,300,000

The accompanying independent auditor's report is an integral part of these notes.

The following is a summary of the future minimum required lease payments by year under operating leases as of June 30, 2011:

Year	
2012	$ 273,000
2013	273,000
2014	273,000
Total minimum lease payments	$ 819,000

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, 2011, the Board's total payroll for all employees was $63,316,230 and the payroll was $59,812,196 for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to the employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as state revenue (Contributions For/On Behalf of the LEA) in the Board's financial statements. The balance is considered to be the State's contribution toward the past service unfunded liability and is not included either as a revenue or an expenditure in the Board's financial statements.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

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.

The accompanying independent auditor's report is an integral part of these notes.

Teachers' Defined Benefit Retirement System:

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2010 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $4.8 billion as of July 1, 2010.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The accompanying independent auditor's report is an integral part of these notes.

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2010, and the two previous years were:

Year ended June 30,	2009	2010	2011
Required contributions	$ 404,547,000	$ 487,886,000	$ 471,171,000
Percent of current year covered payroll	25.89 %	29.57 %	28.55 %

The financial statements include amounts paid for/on behalf of the county by the State of West Virginia for the unfunded liability portion of retirement benefits. The for/on behalf payment for the year ended June 30, 2011 was $12,611,060.

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2011 were:

Employees' contributions (6%)	$ 3,193,103
Employer's contributions (15% or 7.5%)	5,377,882
Total contributions	$ 8,570,985

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.

The accompanying independent auditor's report is an integral part of these notes.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Orchard SecureFoundation Balanced, Orchard Lifetime 2015 Fund II, Orchard Lifetime 2025 Fund II, Orchard Lifetime 2035 Fund II, Orchard Lifetime 2045 Fund II, Orchard Lifetime 2055 Fund II, American Funds EuroPacific R5, Mutual Global Discovery Fund – Z, Heartland Value Plus Inst, Sentinel Small Company I, Vanguard Small-Cap Index Fund – Inv, Scout Mid Cap, Westcore Select, JHancock Large Cap Equity I, Putnam Equity Income Y, Vanguard Large Cap Index Inv, PIMCO Total Return Fund – Admin, TIAA-CREF High-Yield Inst, Vanguard Interm-Term Bond Index Fund and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2010, this plan had approximately $260 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 FY 2011 were:

Employees' contributions (4.5%)	$ 296,729
Employer's contributions (7.5%)	494,547
Total contributions	$ 791,276

The accompanying independent auditor's report is an integral part of these notes.

Note 11 – Other Post Employment Benefits Liability:

The Governmental Accounting Standards Board (GASB) issued Statement 45 in 2004 to establish standards for the measurement, recognition, and reporting of OPEB expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: Those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

The accompanying independent auditor's report is an integral part of these notes.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teachers' Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2011 was determined to be:

	Total	Amount/ Policy Holder
Total annual required contribution	$ 816,274,000	$ 10,844
Pay as you go – retiree subsidy	(145,671,196)	(1,935)
Remaining ARC	$ 670,602,804	$ 8,909

The following summarizes the Board's OPEB activity:

OPEB liability at July 1	$ 11,265,572
Total OPEB expense	11,823,480
Less:	
State appropriation allocation	-0-
Pay as you go payments and other credits	2,471,256
OPEB liability at year end	$ 20,617,796

The accompanying independent auditor's report is an integral part of these notes.

Of the total liability, the Board believes that the State share of the liability is approximately $18.1 million and the Board's share for employees over the formula and federally funded employees is approximately $2.5 million. It is the opinion of the Board that the State is constitutionally required to appropriate sufficient funds to cover the cost of the ARC for personnel funded through the Public School Support Program (PSSP), however, no additional funds have been appropriated for this purpose as of the date of this report. Furthermore, the Board has elected, pursuant to the provisions of WVC 5-16D-6, not to remit to the RHBT any amount in excess of the minimum annual required premium payment.

Note 12 - Interfund Balances and Transfers

The composition of interfund balances as of June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Current Expense Fund	Special Revenue	$ 26,731
General Current Expense Fund	Special Revenue ARRA	$ 369,492

Interfund Transfers

During the year ended June 30, 2011, the General Current Expense fund transferred $4,600,756 to the Permanent Improvement fund, which represents a funding of capital projects and Growth Counties Facilities Act funds.

During the year ended June 30, 2011, the Bond Construction fund transferred $2,796,061 to the Permanent Improvement fund, for the funding of various capital projects.

During the year ended June 30, 2011, the General Current Expense fund transferred $101,805 to the Capital Projects fund, which represents a funding of capital projects.

During the year ended June 30, 2011, the General Current Expense fund transferred $2,691,921 to the Special Revenue fund, which represents the board contribution to various projects. The largest of these projects was the food service program.

The accompanying independent auditor's report is an integral part of these notes.

During the year ended June 30, 2011, the Special Revenue ARRA fund transferred $49,782 to the General Current Expense fund, which represents indirect costs.

During the year ended June 30, 2011, the Special Revenue fund transferred $254,501 to the General Current Expense fund, which represents indirect costs.

Note 13 - Fund Balance

The detailed components of the various fund balance categories as of June 30, 2011 are as follows:

Fund Balance	General Current Expense Fund	Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Nonspendable:							
Prepaid items	$ 181,629	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 181,629
Restricted for:							
Capital projects	-0-	-0-	-0-	13,443	9,760,942	20,338	9,794,723
Debt service	-0-	-0-	2,434,022	-0-	-0-	-0-	2,434,022
Excess levies	1,399,448	-0-	-0-	-0-	-0-	-0-	1,399,448
Committed to:							
See note 14	1,272,784	-0-	-0-	-0-	-0-	-0-	1,272,784
Assigned to:							
Unassigned	(6,306,605)	(40,353)	-0-	-0-	(486,421)	-0-	(6,833,379)
Total fund balance	$(3,452,744)	$(40,353)	$ 2,434,022	$ 13,443	$ 9,274,521	$ 20,338	$ 8,249,227

Note 14 – Assigned Fund Balance:

The Board has designated a portion of the unassigned balance of the General Current Expense Fund at June 30, 2011 to be expended for the following purposes:

Purpose	Amount
Pepsi Contract	$ 65,125
School Wellness Program	3,145
Federal Unemployment Escrow	99,407
MHS – B&O Taxes	54,417
Local Project Bus Garage	2
Gym Rental	396
Local Project Eastwood	24
Dorsey Read Aloud	4,351
Technology E-Rate	667,630

The accompanying independent auditor's report is an integral part of these notes.

Purpose	Amount
Suncrest Middle Tutoring	$ 306
Local Project	9,300
Three Tier Funding	83
E. Lombardi Special Education Award	6,005
WV on the Move – Mylan Park	38
Special Education	1,044
OT/PT Seminar Acct	2,001
PDS CLM/Ridgedale	2,869
Playground	30,000
Local Project	294
Local Project	1
Energy Express Donations	17
Transportation Donations	5
MHS Distance Education	336
Medicaid	221,783
Local Project Playgrounds	10,391
WV High Tech Consortium	13,605
Math Connections – S. Corder	268
SREB/CBHS	1
RESA Grant – Special Education	5
Mylan – North	2,039
Three Tier Funding	4,258
BTG Donations	31
Technology/Computers	1
Three Tier Funding	15,248
Budget Digest	2,972
School Health Hand Washing	57
Heb B	4,609
Benedum Teacher Ed	50,720
Total unreserved fund balance – designated/assigned	$ 1,272,784

The accompanying independent auditor's report is an integral part of these notes.

Note 15 - Commitments, Contingencies and Subsequent Events:

The Board had encumbrances totaling $6,961,808 as of June 30, 2011 in the following funds:

General Current Expense Fund	Special Revenue Fund	Special Revenue – ARRA Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund
$ 313,697	$ 115,072	$ 11,414	$ -0-	$ 13,444	$ 6,487,843	$ 20,338

Encumbrances, to the extent they do not create a negative assigned fund balance are classified as Restricted, Committed, or Assigned fund balance depending on the specific purpose of the encumbrance.

As of June 30, 2011 the following commitments for construction and other capital improvements existed, which are included in the total amount of encumbrances reflected in the accompanying financial statements:

Construction of a new elementary school, renovations and additions to existing schools	$ 9,794,724

Subsequent to June 30, 2011, the following additional commitments for construction and other capital improvements have been entered into:

Construction of a new elementary school	$ 12,911,210

Note 16 - 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.

The accompanying independent auditor's report is an integral part of these notes.

Note 17 - Major Sources of Revenue:

The largest single source of revenue received by the Board is state aid funds through the Public School Support Program. In addition, the Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the Board's independent auditor and state and federal regulatory agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

Note 18 – Evaluation of Subsequent Events:

The Board of Education's management has evaluated subsequent events through March 11, 2012, the date which the financial statements were available to be issued.

The accompanying independent auditor's report is an integral part of these notes.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL CURRENT EXPENSE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Property taxes	$ 44,069,290	$ 46,473,333	$ 46,918,055	$ 444,722
Other Local sources	465,000	972,608	1,042,394	69,786
State sources	43,617,900	44,258,495	56,932,296	12,673,801
Federal sources	750,000	1,098,637	1,236,854	138,217
Miscellaneous sources	-0-	158,016	158,516	500
Total revenues	88,902,190	92,961,089	106,288,115	13,327,026
Expenditures				
Instruction	50,419,650	49,427,589	61,320,730	(11,893,141)
Supporting services:				
Students	4,842,130	4,914,621	6,041,844	(1,127,223)
Instructional staff	2,061,930	1,754,382	2,386,638	(632,256)
Central administration	1,487,070	1,417,144	1,475,883	(58,739)
School administration	4,766,530	5,165,232	6,665,513	(1,500,281)
Business	1,663,730	1,603,628	1,834,791	(231,163)
Operation and maintenance of facilities	11,734,090	13,511,590	14,018,220	(506,630)
Student transportation	6,713,770	8,048,063	9,039,475	(991,412)
Food services	-0-	-0-	765,940	(765,940)
Community services	170,570	1,090,145	1,087,823	2,322
Capital outlay	-0-	66,070	57,959	8,111
Debt service:				
Principal retirement	857,790	894,090	894,072	18
Interest and fiscal charges	-0-	-0-	-0-	-0-
Reserved for contingencies	-0-	-0-	-0-	-0-
Total expenditures	84,717,260	87,892,554	105,588,888	(17,696,334)
Excess (deficiency) of revenues over (under) expenditures	4,184,930	5,068,535	699,227	(4,369,308)

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL CURRENT EXPENSE FUND (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Other Financing Sources (Uses)				
Transfers in	$ -0-	$ 57,343	$ 343,558	$ 286,215
Capital lease proceeds	-0-	-0-	-0-	-0-
Transfers (out)	(4,534,930)	(7,834,137)	(7,434,128)	400,009
Total other financing sources (uses)	(4,534,930)	(7,776,794)	(7,090,570)	686,224
Change in fund balances	(350,000)	(2,708,259)	(6,391,343)	(3,683,084)
Fund balances – beginning	350,000	2,708,259	2,938,599	230,340
Fund balances (deficit) – ending	$ -0-	$ -0-	$ (3,452,744)	$ (3,452,744)

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Local sources	$ 1,456,620	$ 2,234,148	$ 1,520,925	$ (713,223)
State sources	3,613,100	4,924,451	4,150,307	(774,144)
Federal sources	7,410,910	15,579,161	11,462,903	(4,116,258)
Miscellaneous sources	-0-	17,841	-0-	(17,841)
Total revenues	12,480,630	22,755,601	17,134,135	(5,621,466)
Expenditures				
Instruction	7,076,140	13,419,191	11,246,649	2,172,542
Supporting services:				
Students	400,090	533,084	421,202	111,882
Instructional staff	337,340	966,131	722,384	243,747
Central administration	-0-	177,179	167,926	9,253
School administration	-0-	70,465	70,221	244
Business	10,310	79,131	61,202	17,929
Operation and maintenance of facilities	1,200	65,876	66,366	(490)
Student transportation	1,066,700	1,208,223	1,069,100	139,123
Food services	5,517,490	5,637,686	5,879,590	(241,904)
Community services	-0-	13,659	13,519	140
Capital outlay	-0-	2,072	-0-	2,072
Reserved for Special Projects	160,280	89,730	-0-	89,730
Total expenditures	14,569,550	22,262,427	19,718,159	2,544,268
Excess (deficiency) of revenues over (under) expenditures	(2,088,920)	493,174	(2,584,024)	(3,077,198)
Other Financing Sources (Uses)				
Transfers in	2,217,970	2,227,970	2,691,921	463,951
Transfers (out)	(139,380)	(298,537)	(254,501)	44,036
Total other financing sources (uses)	2,078,590	1,929,433	2,437,420	507,987
Change in fund balances	(10,330)	2,422,607	(146,604)	(2,569,211)
Fund balance – beginning	10,330	(2,422,607)	106,251	2,528,858
Fund balances (deficit) – ending	$ -0-	$ -0-	$ (40,353)	$ (40,353)

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues				
Federal sources	$ 3,236,650	$ 7,813,867	$ 5,065,907	$ (2,747,960)
Total revenues	3,236,650	7,813,867	5,065,907	(2,747,960)
Expenditures				
Instruction	3,236,650	6,812,056	4,763,433	2,048,623
Supporting services:				
Students	-0-	194,819	134,886	59,933
Instructional staff	-0-	101,410	97,400	4,010
Central administration	-0-	2,821	2,821	-0-
Operation and maintenance of facilities	-0-	74,810	-0-	74,810
Students transportation	-0-	58,563	17,956	40,607
Total expenditures	3,236,650	7,244,479	5,016,496	2,227,983
Excess (deficiency) of revenues over (under) expenditures	-0-	569,388	49,411	(519,977)
Other Financing Sources (Uses):				
Transfers in	-0-	-0-	371	371
Transfers (out)	-0-	(131,616)	(49,782)	81,834
Total other financing sources (uses)	-0-	(131,616)	(49,411)	82,205
Changes in fund balances	-0-	437,772	-0-	(437,772)
Fund balances – beginning	-0-	(437,772)	-0-	437,772
Fund balances – ending	$ -0-	$ -0-	$ -0-	$ -0-

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Local sources	$ 3,386,450	$ 3,386,450	$ 3,689,765	$ 303,315
State sources	-0-	-0-	8,038	8,038
Miscellaneous sources	-0-	-0-	-0-	-0-
Total revenues	3,386,450	3,386,450	3,697,803	311,353
Expenditures				
Debt Service:				
Principal retirement	1,135,000	1,135,000	1,135,000	-0-
Reserve for contingencies	-0-	-0-	-0-	-0-
Interest and fiscal charges	2,351,450	4,476,419	2,253,750	2,222,669
Total expenditures	3,486,450	5,611,419	3,388,750	2,222,669
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(2,224,969)	309,053	2,534,022
Other Financing Sources (Uses)				
Transfers in	-0-	-0-	-0-	-0-
Transfers (out)	-0-	-0-	-0-	-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Change in fund balances	(100,000)	(2,224,969)	309,053	2,534,022
Fund balances – beginning	100,000	2,224,969	2,124,969	(100,000)
Fund balances – ending	$ -0-	$ -0-	$ 2,434,022	$ 2,434,022

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS - BOND CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Miscellaneous sources	$ -0-	$ 98,300	$ 7,202	$ (91,098)
Total revenues	-0-	98,300	7,202	(91,098)
Expenditures				
Capital outlay	-0-	346,565	-0-	346,565
Total expenditures	-0-	346,565	-0-	346,565
Excess (deficiency) of revenues over (under) expenditures	-0-	(248,265)	7,202	255,467
Other Financing Sources (Uses)				
Transfers in	-0-	-0-	-0-	-0-
Transfers (out)	-0-	(2,554,037)	(2,796,061)	(242,024)
Total other financing sources (uses)	-0-	(2,554,037)	(2,796,061)	(242,024)
Change in fund balance	-0-	(2,802,302)	(2,788,859)	13,443
Fund balances – beginning	-0-	2,802,302	2,802,302	-0-
Restatement of fund balance	-0-	-0-	-0-	-0-
Fund balances – beginning, as restated	-0-	2,802,302	2,802,302	-0-
Fund balances – ending	$ -0-	$ -0-	$ 13,443	$ 13,443

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS - PERMANENT IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues				
Other local sources	$ -0-	$ 1,200,000	$ -0-	$ (1,200,000)
State sources	-0-	9,033,971	1,200,050	(7,833,921)
Total revenues	-0-	10,233,971	1,200,050	(9,033,921)
Expenditures				
Central administration	-0-	-0-	350	(350)
Capital outlay	-0-	28,611,847	11,113,153	17,498,694
Total expenditures	-0-	28,611,847	11,113,503	17,498,344
Excess (deficiency) of revenues over (under) expenditures	-0-	(18,377,876)	(9,913,453)	8,464,423
Other Financing Sources (Uses)				
Transfers in	1,582,590	9,154,795	7,396,817	(1,757,978)
Capital lease proceeds	-0-	-0-	2,000,000	2,000,000
Transfers (out)	(3,582,590)	(568,076)	-0-	568,076
Total other financing sources (uses)	(2,000,000)	8,586,719	9,396,817	810,098
Change in fund balances	(2,000,000)	(9,791,157)	(516,636)	9,274,521
Fund balances – beginning	2,000,000	9,791,157	9,791,157	-0-
Fund balances – ending	$ -0-	$ -0-	$ 9,274,521	$ 9,274,521

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Other local sources	$ -0-	$ -0-	$ -0-	$ -0-
State sources	-0-	-0-	-0-	-0-
Total revenues	-0-	-0-	-0-	-0-
Expenditures				
Capital outlay	-0-	442,360	422,022	20,338
Operation and maintenance of facilities	-0-	-0-	-0-	-0-
Total expenditures	-0-	442,360	422,022	20,338
Excess (deficiency) of revenues over (under) expenditures	-0-	(442,360)	(422,022)	20,338
Other Financing Sources (Uses):				
Transfers in	-0-	101,805	101,805	-0-
Transfers (out)	-0-	-0-	-0-	-0-
Total other financing sources (uses)	-0-	101,805	101,805	-0-
Change in fund balances	-0-	(340,555)	(320,217)	20,338
Fund balances – beginning	-0-	340,555	340,555	-0-
Fund balances – ending	$ -0-	$ -0-	$ 20,338	$ 20,338

The accompanying independent auditor's report and notes are an integral part of these financial statements.

MONONGALIA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Cash Balance 7/1/2010	Revenues Received	Expenditures Paid	Cash Balance 6/30/2011
High Schools:				
Clay Battelle High	$ 152,144	$ 153,922	$ 134,235	$ 171,831
Morgantown High	302,468	497,850	463,362	336,956
University High	360,917	470,833	468,503	363,247
Tech Ed Center/Adult	432,262	740,019	709,889	462,392
Tech Ed Center/General	41,455	52,223	43,972	49,706
Tech Ed Center/Comm Schools	184,698	47,944	24,117	208,525
Total High Schools	1,473,944	1,962,791	1,844,078	1,592,657
Middle and Junior High Schools:				
Cheat Lake Middle	41,536	122,364	116,522	47,378
South Middle	46,866	102,455	107,896	41,425
Suncrest Middle	98,269	97,815	107,098	88,986
Westwood Middle	31,405	115,713	120,532	26,586
Total Middle and Junior High Schools	218,076	438,347	452,048	204,375
Elementary Schools:				
Brookhaven Elementary	22,065	39,188	40,326	20,927
Cheat Lake Elementary	34,524	63,725	74,593	23,656
Easton Elementary	6,172	21,532	18,290	9,414
Mason Dixon Elementary	28,278	36,535	35,782	29,031
Mountainview Elementary	17,691	56,041	53,407	20,325
Mylan Park Elementary	27,163	53,182	60,538	19,807
North Elementary	28,792	79,377	79,479	28,690
Ridgedale Elementary	28,134	25,758	22,350	31,542
Skyview Elementary	31,429	38,720	40,943	29,206
Suncrest Primary	29,131	10,386	10,901	28,616
Woodburn Elementary	12,413	25,614	16,468	21,559
Total Elementary Schools	265,792	450,058	453,077	262,773
Total – All Schools	$ 1,957,812	$ 2,851,196	$ 2,749,203	$ 2,059,805

The accompanying independent auditor's report and notes are an integral part of these financial statements.

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

To the Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

We have audited the financial statements of the governmental activities and each major fund, of the Monongalia County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Monongalia County Board of Education's basic financial statements and have issued our report thereon dated March 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Monongalia County 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 Monongalia County Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Monongalia County Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monongalia County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Monongalia County Board of Education in a separate letter dated March 11, 2012.

This report is intended solely for the information and use of the Board Members, the West Virginia State Auditor's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Tetrick & Bartlett, PLLC

March 11, 2012

T&B

Tetrick & Bartlett, PLLC
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Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

To The Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

Compliance

We have audited Monongalia County Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Monongalia County Board of Education's major federal programs for the year ended June 30, 2011. Monongalia County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Monongalia County Board of Education's management. Our responsibility is to express an opinion on Monongalia County Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Monongalia County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Monongalia County Board of Education's compliance with those requirements.

In our opinion, the Monongalia County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Monongalia County 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 Monongalia County Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Monongalia County Board of Education's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Monongalia County Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Monongalia Board of Education's responses and, accordingly, we express no opinion on the responses.

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

Tetrick & Bartlett, PLLC

March 11, 2012

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

A. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

U.S. Department of Agriculture
Child Nutrition Cluster:

Passed-Through the West Virginia Department of Education	
School Breakfast Program	CFDA #10.553
National School Lunch Program	CFDA #10.555
Summer Food Service Program for Children	CFDA #10.559

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

U.S. Department of Education	
Title I, Part A Cluster	
Title I Grants to Local Educational Agencies	CFDA #84.010
ARRA – Title I Grants to Local Educational Agencies	CFDA #84.389
Special Education Cluster:	
Special Education – Grants to States	CFDA #84.027
Special Education – Preschool Grants	CFDA #84.173
ARRA – Special Education – Grants to States	CFDA #84.391
ARRA – Special Education – Preschool Grants	CFDA #84.392
State Fiscal Stabilization Fund Cluster:	
ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants	CFDA #84.394
ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services	CFDA #84.397
Improving Teacher Quality State Grants	CFDA #84.367
Federal Pell Grant Program	CFDA #84.063
Educational Technology State Grants Cluster:	
Education Technology State Grants	CFDA #84.318
ARRA – Education Technology State Grants	CFDA #84.386
Head Start Cluster:	
Head Start	CFDA #93.600
ARRA – Head Start	CFDA #93.708

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

B. Findings - Financial Statements Audit

None

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Pass through West Virginia Department of Education			
Child Nutrition Cluster:			
Passed-through West Virginia Department of Agriculture - Food Donation – National School Lunch Program	10.555	88	$ 319,055
Passed-through West Virginia Department of Education			
School Breakfast Program	10.553	88	438,566
National School Lunch Program	10.555	88	1,417,719
Summer Food Service Program for Children	10.559	88	48,266
Total U.S. Department of Agriculture			$ 2,223,606
U.S. Department of Defense			
Passed-through West Virginia Department of Education			
Mathematical Sciences Grants Program	12.901	49	$ 32,487
Total U.S. Department of Defense			$ 32,487

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Program Title			
Passed-Through Fairmont State University			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	49	$ 204,451
Pass-through West Virginia Department of Education			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	41	2,366,834
ARRA – Title I Grants to Local Educational Agencies	84.389	41	261,552
Special Education Cluster:			
Special Education – Grants to States	84.027	43	2,470,117
Special Education – Preschool Grants	84.173	43	61,502
ARRA – Special Education – Grants to States	84.391	43	1,274,672
ARRA – Special Education – Preschool Grants	84.392	43	41,932
Adult Education – Basic Grants to States	84.002	61	295,191
Career and Technical Education – Basic Grants to States	84.048	50	132,604
Federal Pell Grant Program	84.063	N/A	332,446
Safe and Drug-Free Schools and Communities – State Grants	84.186	48	4,971
Education for Homeless Children and Youth	84.196	54	14,835
Twenty-First Century Community Learning Centers	84.287	46	173,878
Foreign Language Assistance	84.293	45	2,035

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education (Cont'd)			
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	58	$ 484,758
ARRA – Education Technology State Grants	84.386	58	16,766
Reading First State Grant	84.357	41	11,869
English Language Acquisition Grants	84.365	45	62,099
Improving Teacher Quality State Grants	84.367	40	721,461
School Improvement Grants	84.377	41	13,214
ARRA – Education Jobs Fund	84.410	52	68,609
State Fiscal Stabilization Fund Cluster:			
ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants	84.394	52	3,236,645
ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services	84.397	25,52	319,499
Total U.S. Department of Education			$ 12,571,940
U.S. Department of Health and Human Services			
Head Start Cluster:			
Head Start (Early Head Start)	93.600	32	$ 1,350,242
ARRA – Head Start (Early Head Start)	93.708	32	52,746
Pass-Through Grantor – North Central Community Action			
Head Start	93.600	32	963,204
ARRA – Head Start	93.708	32	16,071

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services (Cont'd)			
Pass-Through West Virginia Department of Education			
Temporary Assistance for Needy Families	93.558	47	$ 83,730
Youth Behavior Risk Survey & Youth Tobacco Survey	93.293	49	766
Cooperative Agreements to Support Comprehensive School Programs to Prevent the Spread of HIV and Other Important Problems	93.938	49	399
Total U.S. Department of Health and Human Services			$ 2,467,158
U.S. Corporation for National and Community Service			
Learn and Serve America – School and Community Based Programs	94.004	44	$ 3,958
Total U.S. Corporation for National and Community Service			$ 3,958
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 17,299,149

N/A – Not Applicable

The accompanying independent auditor's report and notes are an integral part of this schedule.

MONONGALIA COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

1. Basis of Presentation

The accompanying schedule of Expenditures of Federal Awards includes the federal grant activity of the Board of Education and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

2. Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The Board received and disbursed $319,055 in food commodities in the Donated Foods Program/Food Distribution Program for the year ended June 30, 2011.

MONONGALIA COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reference Number:

There were no Findings and Questioned Costs relative to federal awards for the prior audit period of July 1, 2009 to June 30, 2010.

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • www.tetrickbartlett.com

March 11, 2012

The Honorable Members of the
Monongalia County Board of Education
Morgantown, West Virginia

In planning and performing our audit of the financial statements of the Monongalia County Board of Education for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

However, during our audit, we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. (We previously reported on the Board's internal control in our report dated March 11, 2012.) This letter does not affect our report dated March 11, 2012, on the financial statements of the Monongalia County Board of Education.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Board personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Incorrect Charge

We noted during our audit that (1) substitute employee's payroll expense and related benefits were charged to an incorrect project code. After review of the WVEIS system with Board management, it appeared that this happened for only one occurrence for a total amount of $141. The amount was incorrectly charged to the Title I federal program, and should have been charged as an expense to the County program.

We recommend that the Monongalia County Board of Education management take the necessary steps to ensure that all wages are charged to the applicable programs.

Credit Card Purchases

We noted during our audit that management did periodically obtain an approved purchase order for credit card purchases or travel expenses, such as lodging. However, we noted that the credit card charges for miscellaneous purchases or lodging expenses were not always supported by a detailed invoice.

We recommend that the Monongalia County Board of Education management take the necessary steps to ensure that all credit card purchases are approved and are supported by detailed invoices or other support documentation.

We wish to thank the Treasurer and his staff for their support and assistance during our audit.

This report is intended solely for the information and use of the Board Members, management, and others within the Board and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tetrick & Bartlett, PLLC

March 11, 2012

ECONOMIC AND DEMOGRAPHIC DATA – COUNTY OF MONONGALIA (WEST VIRGINIA)

Introduction

Location: Monongalia County is located in the North-Central part of the State of West Virginia and is 156 miles from the City of Charleston, West Virginia (the State Capitol), 73 miles from Pittsburgh, Pennsylvania, 76 miles from Wheeling, West Virginia, and 212 miles from Washington, D.C.

County Seat: City of Morgantown

Commissioners: Bill Bartolo, President, Eldon A. Callen and Asel Kennedy

Population

Year	Monongalia County	West Virginia	United States
2010 Census	96,189	1,852,994	308,745,538
2000 Census	81,866	1,808,344	281,421,906

Source: United States Census Bureau

Economy

The 10 largest employers and the type of business for each such employer for the year 2011 in the County are:

Employer	Product/Service
West Virginia University	Education
West Virginia University Hospitals	Health
Mylan Pharmaceuticals, Inc.	Mfg.
Monongalia Co. Board of Education	Education
Monongalia General Hospital	Health
WVU Medical Corporation	Health
Teletech Customer Care Mgt. (WV), Inc.	Services
Wal-Mart Associates, Inc.	Retail
The Kroger Company	Retail
Gabriel Brothers, Inc.	Retail

Source: WORKFORCE West Virginia

Average Annual Unemployment Rates (%)

Year	Monongalia County	West Virginia
2004	3.8	5.3
2005	3.5	4.9
2006	3.2	4.5
2007	2.9	4.2
2008	2.7	4.2
2009	4.4	7.7
2010	5.5	8.5

Source: WORKFORCE West Virginia

Average Annual Employment by Industry

Industry	2010	2009	2008	2007
Construction	3,107	2,259	2,226	2,069
Manufacturing	3,354	3,272	3,355	3,224
Trade, Transportation & Utilities	7,446	7,491	7,658	7,800
Information	635	570	591	585
Financial Activities	1,350	1,356	1,447	1,486
Professional & Business Services	4,846	4,570	4,331	4,082
Education & Health Services	11,446	11,396	11,158	10,725
Leisure & Hospitality	5,992	5,903	5,744	5,451
Government	11,217	10,618	10,446	12,436
Natural Resources & Mining	742	655	661	594
TOTAL	51,627	49,513	49,001	49,793

Source: WORKFORCE West Virginia

Average Employment and Annual Wage

	Average Employment		Average Annual Wage	
	2010	**2009**	**2010**	**2009**
Monongalia County	51,627	49,513	$42,191	$39,522
West Virginia	692,305	691,921	$37,702	$36,895

Source: WORKFORCE West Virginia

Per Capita Personal Income

Governmental Entity	2010	2000
United States	$39,937	$30,319
West Virginia	$32,042	$22,173
Monongalia County	$35,924	$23,793

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

Monongalia County Wages Per Industry (2010) ($)

Industry	Total Wages	Average Annual Wage
Natural Resources & Mining	$44,495,303	$59,967
Construction	$187,036,969	$60,199
Manufacturing	$212,052,510	$63,224
Trade, Transportation & Utilities	$230,985,014	$31,021
Information	$28,006,622	$44,105
Financial Activities	$57,575,062	$42,648
Professional & Business Services	$232,331,858	$47,943
Education & Health Services	$499,456,263	$43,636
Leisure and Hospitality	$75,563,713	$12,611
Other Services	$43,144,242	$29,152
Government	$567,288,519	$50,574
TOTAL	$2,178,190,662	

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Monongalia County	West Virginia
2010	2,178,190,662	26,100,976,332
2009	1,956,875,608	25,528,702,813
2008	1,852,635,295	25,534,204,980
2007	1,726,590,994	24,083,126,318
2006	1,607,936,896	23,079,570,075
2005	1,508,798,578	21,793,516,080
2004	1,430,574,609	20,868,401,449

Source: WORKFORCE West Virginia

Source for Remainder of Information Unless Otherwise Noted:
Morgantown Area Chamber of Commerce

LOCATION

Highway Distance from Morgantown

Pittsburgh, PA	77
Charleston, WV	155
Columbus, OH	205
Cleveland, OH	219
Washington, DC	213
Baltimore, MD	215
Philadelphia, PA	327
Toronto, Canada	384
Charlotte, NC	385
New York, NY	393
Norfolk, VA	407
Chicago, IL	528

LODGING AND RETAIL OUTLETS

Motels/hotels	20
Bed & Breakfasts	2
Major Shopping Malls/Centers	4

FINANCIAL INSTITUTIONS

The County is served by seventeen financial institutions.

CHURCHES

There are over 70 different congregations representing over 30 different religious affiliations in Monongalia County.

CIVIC CLUBS

There are over 25 civic organizations in Monongalia County.

EDUCATION

Number of Public and Private Schools: Monongalia County

Type of School	# Public	# Private
Elementary Schools (PK-6)	12	6
Middle Schools (varies 5-8)	4	6
High Schools (varies 7-12)	3	3
Technical Center	1	
Alternative Education	2	
Total Number of Schools	22	15*

* Some of the private schools incorporate more than one type, or grade range, of school

Colleges and Universities

West Virginia University, Morgantown	Monongalia County
Pierpont Community and Technical College, Fairmont	Marion County
Fairmont State University, Fairmont	Marion County
Salem International University, Salem	Harrison County
West Virginia Junior College, Morgantown	Monongalia County
Waynesburg College, Waynesburg, PA	

HEALTH CARE

Hospitals

Monongalia General Hospital
207 bed general acute care hospital

Ruby Memorial Hospital
370 bed teaching hospital

Health Clinics

Clay Battelle Community Health Center	Morgantown Orthopedic Association, Inc.
WVU – Cheat Lake Medical Associates	Center for Excellence in Disabilities
Community Medical Associates	Cheat Lake Urgent Care
Physicians Office Center	Monongalia County Health Department
Morgantown Ear, Nose and Throat Clinic	Valley Community Mental Health Center
Morgantown Health Right Clinic	VanVoorhis Family Practice Center

RECREATION AND CULTURAL FACILITIES

Amateur Theater	2	
Professional Theater		West Virginia Public Theater
Ball Fields	23	
Biking/Hiking Trails	2	60 miles of trails along Mon River, Deckers Creek and Cheat Lake
Bowling Facilities	2	
Basketball Courts	40	
Outdoor Tennis Courts	34	
Indoor Tennis Clubs	2	
Campgrounds, Private	3	
Campgrounds, Public	2	Cooper's Rock State Park, Chestnut Ridge Park
Golf Country Clubs	2	Pines Country Club, Pikewood Golf Club
Public Golf Courses	4	
Fitness Centers	10	
Indoor Movie Theaters	4	29 screens
Marinas	6	3 on Cheat Lake, 3 on Mon River

Regional Parks	4	Chestnut Ridge, Cheat Lake, Mason Dixon, Camp Muffly, Mylan Park
Community Parks	10	
Playgrounds	47	
Skiing, Water	2	Cheat Lake (1,730 acres) and Mon River
Skiing, Nordic		Cooper's Rock State Park
Resort and Conf. Center		Lakeview Resort
Skating Rink		White Park
Swimming Pools (public)	4	Marilla, Kreeps, Camp Muffly
State Forest		Cooper's Rock (12,700 acres)
WVU Coliseum		14,000 seat capacity
WVU Core Arboretum		7 hiking trails
WVU Creative Arts Center		1,600 seat capacity
WVU Mountaineer Field		60,000 seat capacity
WVU Indoor Rec. Centers	3	WVU Indoor pool and recreation centers

UTILITIES AND SERVICES

Electric Power	FirstEnergy
Natural Gas Supplier	Dominion Transmission
Natural Gas Distributors	Dominion Hope, Mountaineer Gas
Sewage Treatment	Morgantown Utility Board System (Secondary treatment, 12 MGD capacity, 65% present loan), and 3 Public Service Districts
Water Treatment	Morgantown Utility Board (Source – Monongahela River, 14.5 MGD capacity, 72% present load) and 8 Public Service Districts, water associations or municipal (Star City) systems
Solid Waste Disposal	2 local vendors

COMMUNICATIONS

AM Radio	WAJR	News/Talk/Sports
	WCLG	Oldies/News
FM Radio	WCLG	Classic Rock
	WMQC	Adult Contemporary/Oldies
	WVAQ	Top 40
	WWVU	Alternative Rock
Television	WNPB	PBS affiliate
	WBOY	NBC affiliate
	Comcast Cable (98 Standard Basic Cable Channels, 62 Digital Cable Channels, 17 HDTV Channels, DVR Service)	
Newspapers	Morgantown Dominion Post	Daily
	Daily Athenaeum	(Daily during WVU School year, weekly in summer)
Postal Service	15 Post Offices	
Overnight Delivery	Federal Express, Greyhound, UPS, U.S. Postal Service	
Telecommunications	Frontier is the primary local exchange service provider. West Side Telecommunications also serves a portion of the County. Comcast offers high-speed digital cable Internet access Cellular Phone service is offered by Cellular One, Ntelos, Sprint, U.S. Cellular	

TRANSPORTATION

Highways Serving Area	I-68 and 79; US 19 and 119; WV 7, 100 and 218
Transit	Mountain Line (Local Bus Service), WVU Personal Rapid Transit (Monorail)
Railroads	Norfolk-Southern RR offers daily freight service
Air	Morgantown Municipal Airport (Hart Field) offers daily commuter service to Northern Virginia's Dulles International Airport. Pittsburgh International Airport is an 80-minute drive north of Morgantown.
Water	Monongahela River is a navigable waterway with a 9 foot channel depth.

PROPOSED FORM OF LEGAL OPINION

July 10, 2012

$42,615,000
The Board of Education of
The County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

The Board of Education of the
County of Monongalia
Morgantown, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by The Board of Education of The County of Monongalia (the "Issuer") of its $42,615,000 in aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Bonds") and served as bond counsel to the Issuer in connection with the issuance of such Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Refunding Act") and a Resolution and Order duly adopted by the Issuer on April 24, 2012 (the "Resolution") and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds are issued in fully registered form, are dated July 10, 2012, upon original issuance, are represented by a single bond for each maturity, numbered R-1 to R-22, inclusive, with interest payable on each May 1 and November 1, commencing November 1, 2012, and principal installments payable each May 1, commencing May 1, 2013, and continuing until the maturity thereof, being May 1, 2033.

The Resolution provides that the issue is for the purposes of providing funds, together with other moneys of the Issuer currently on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission"), to pay costs necessary to advance refund all of the Issuer's Outstanding Public School Bonds, Series 2004, dated May 1, 2004 (the "Prior Bonds"), originally issued in the aggregate principal amount of $50,000,000, of which $42,715,000 is presently outstanding, and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Monongalia County School District (the "District") at an election held in the District on October 4, 2003, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated June 19, 2012, by and between the Issuer and the Purchaser (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution, the Bond Purchase Agreement and the Escrow Agreement, dated July 10, 2012, by and between the Issuer and the West Virginia Municipal Bond Commission, as escrow agent (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer contained in the Resolution, the Bond Purchase Agreement, the Escrow Agreement and the Tax and Non-Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and in certain other certificates delivered in connection herewith and the covenants of the Bond Commission contained in the Escrow Agreement, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Resolution, enter into the Escrow Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Escrow Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution and the Tax Certificate. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 5 below, we express no opinion regarding other tax consequences arising with respect to the Bonds.

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

6. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the liens, pledges, rights or remedies with respect to the Bonds, the Resolution, the Escrow Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

Bowles Rice McDavid Graff & Love LLP

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BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Re marketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

ELECTED OFFICIALS OF THE BOARD
APPOINTED OFFICIALS OF THE BOARD

Monongalia County Board of Education Members

Dr. Barbara L. Parsons, President

Representing the Monongalia County Schools' Central District, Dr. Barbara Parsons was appointed to the Board in 2000 to fill an unexpired term. She subsequently was elected to a four-year term in 2002 and was re-elected May 2006 and 2010. Her current term of office expires in 2014. Dr. Parsons was named president of the Monongalia County Board of Education July 2010.

A Morgantown area resident for 38 years, Dr. Parsons earned a bachelor's degree in Family Resources, a master's in Industrial and Labor Relations and a doctorate in Education from West Virginia University. She is employed as director of Education Services for Monongalia Health System.

Dr. Parsons previously served on the Morgantown Utility Board, with Monongalia County's Metropolitan Planning Organization and as a facilitator for COMPAC, a community transportation improvement group. A 1992 graduate of Leadership West Virginia, she coordinated Leadership Monongalia, a local leadership development program, for 14 years. She currently serves as chair of the United Way of Monongalia and Preston Counties' board of directors' personnel committee; co-chair of the West Virginia School Board Association's (WVSBA) strategic planning committee; and resource coordinator for the WVSBA's committee for developing standards for high functioning boards. Additionally, she serves on the West Virginia Board of Education's training standards review committee.

Mike Kelly

Mike Kelly, 58, is a Westover resident and president of Dulaney Oil. A University High alumnus, Mr. Kelly and his wife, Marjorie, a Morgantown High graduate, are the parents of three children and the grandparents of three grandchildren, two of which are enrolled in the Monongalia County Schools.

Mr. Kelly is former president of the Westover Rotary. He has worked with the Greater Morgantown Metropolitan Planning Organization (MPO) since its organization in 2003 and is the organization's immediate past president. An avid automobile collector, Mr. Kelly also is an active volunteer with the UHS and Westwood Middle School band programs and is a strong supporter of the arts.

He served on the Board in 2005-06 and 2007-08, completing previous Board members' unexpired terms. He was elected in May 2008 to complete his second appointed term through June 2010. The Board reappointed Kelly to another vacated seat July 2010, a position he held until the Nov. 2, 2010 general election when he was elected to complete that term through 2014.

Craig Cerra

Craig Cerra is a 17 year resident of Monongalia county. He was appointed to the Board in 2012 to fill an unexpired term. Mr. Cerra represents the Western District of Monongalia County Schools.

Mr. Cerra has been employed by Edison Mission O&M for seventeen years at the Grant Town Power Plant. He is currently the administrative Supervisor at the power plant.

Cerra along with his wife Tamara have four children, three being enrolled in Monongalia County Schools. When his children started at Daybrook Elementary he became involved in volunteering with his

children's schools. He has been active on PTO's and LSIC committees. Cerra also currently serves as the vice-president of the Pines Spring Summer Camp Board.

Nancy Walker

Nancy Walker, a native West Virginian, has lived in Morgantown with her husband Craig since 1974. She has been employed as a registered diagnostic medical and cardiac ultrasonographer for 34 years and currently is employed by the Morgantown Internal Medicine Group.

As the mother of three children, Ms. Walker initially became involved with the Monongalia County Schools as a parent volunteer. Representing the county schools' Eastern District, she has served on the Board for 15 years and held the Board president's position 2002-2010. Her current term of office expires in 2012.

She attends St. Thomas 'a Becket Episcopal Church and serves as the church nursery coordinator. She serves on the executive committee of the United Way of Monongalia and Preston Counties and as vice chair of the WVU Prevention Research Center's Community Partnership board. She also was appointed to serve on the West Virginia Commission for Performance Teaching Standards in 2010.

Dr. Clarence Harvey, Jr.

A Morgantown native and a graduate of University High School, Dr. Clarence Harvey began his career as a professional educator in 1948, teaching at Daybrook Junior High. Dr. Harvey, 85, also served as a principal and in several central office administrative positions before his retirement in 1984.

A South Park resident representing the county's Central District, Harvey initially was elected to the Board of Education in 1984 and subsequently was re-elected to two four-year terms. County voters returned him to the Board in May 2006.

Harvey holds bachelor's and master's degrees from West Virginia University. He also holds a doctoral degree in education from Penn State.

Monongalia County Schools Central Office Administrators

Dr. Frank Devono, Superintendent

Dr. Devono has been Superintendent of Monongalia County Schools since July 1, 2005 and has more than 36 years of additional administrative and educational experience in West Virginia.

He earned his B.S. Degree from Fairmont State University, a Master's Degree from West Virginia University and an Ed.D. from West Virginia University.

Donna Talerico, Assistant Superintendent of Pupil Services

Donna Morgan Talerico has served as Assistant Superintendent since 2005. She is a resident of Westover. Her responsibilities in her nearly 40 year career in the Monongalia County School system, include serving as a school principal at North, Woodburn, Easton, Jerome Park and Daybrook Elementary Schools.

A graduate of Fairmont State College in 1972, she also earned a degree in Education Administration from WVU in 1973. She has dedicated her career to improving education in the Monongalia County School system.

Becky Mattern
Assistant Superintendent for Administration, C&I

Mrs. Mattern has been Assistant Superintendent in Monongalia County since January 2006 and has over twenty years of central office experience from Taylor, Marion, and Harrison Counties. She previously taught in Marion, Taylor, Mercer and Logan County Schools.

Mrs. Mattern earned her BA and MS degrees from West Virginia University.

Wm. Terry Hawkins
Chief School Business Official and Treasurer

Mr. Hawkins has been Chief School Business Official and Treasurer for the Monongalia County Board of Education since November 1993. Prior to joining the school system, he was employed by the State of West Virginia Department of Tax and Revenue as an auditor for over twenty years.

Mr. Hawkins received his BS degree in Business Administration from West Virginia University in 1972.

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated as of July 10, 2012, is by and between the Board of Education of the County of Monongalia (the "Board") and United Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution adopted by the Board on April 24, 2012, authorizing issuance of the Series 2012 Bonds (the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Series 2012 Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Series 2012 Bonds in Appendix A entitled "Audit Report of Monongalia County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

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

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2012 Bonds (including persons holding Series 2012 Bonds through nominees, depositories or other intermediaries).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated June 19, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Series 2012 Bonds from the Board upon the terms set forth therein.

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

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

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

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

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

"Participating Underwriter" shall mean the original underwriter of the Series 2012 Bonds which is required to comply with the Rule in connection with the offering of the Series 2012 Bonds.

"Repository" shall mean each National Repository.

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

"Series 2012 Bonds" shall mean the $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

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

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

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

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

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

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2012 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

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

4. unscheduled draws on credit enhancements reflecting financial difficulties;

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

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012 Bonds, or other events affecting the tax status of the Series 2012 Bonds;

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

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

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Series 2012 Bonds, if material;

11. rating changes;

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

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

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

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event,

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

and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

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

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

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

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

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2012 Bonds. If such termination occurs prior to the final maturity of the Series 2012 Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Series 2012 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2012 Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2012 Bonds.

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

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

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Series 2012 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Series 2012 Bonds or pursuant to the Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

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

To the Board:	The Board of Education of the County of Monongalia 13 South High Street Morgantown, West Virginia 26501
To the Disclosure Agent:	United Bank, Inc. ATTN: Corporate Trust 500 Virginia Street, East Charleston, WV 25392

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

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

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

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

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

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

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action.

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: _____
Its: Board President

UNITED BANK, INC., as Disclosure Agent

By: _____

Its: _____

Date: July 10, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Monongalia (the "Board")

Name of Bond Issue: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Date of Bond Issue: July 10, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided Annual Financial Information with respect to the above-named Series 2012 Bonds as required by Section 3(b) of that certain Continuing Disclosure Agreement dated as of July 10, 2012, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____, 20__.

Dated: _____, 20___.

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

cc: Board

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Schedule I- Bond Terms

Exhibit A- Form of Supplemental Bond Counsel Opinion

Exhibit B- Form of Opinion of Counsel to Issuer

Exhibit C- Form of Underwriter's Counsel Opinon

BOND PURCHASE AGREEMENT

1. Parties and Relevant Dates

Issuer: The Board of Education of the County of Monongalia (West Virginia)

Underwriter: Piper Jaffray & Co.

Securities: $42,615,000 Public School Refunding Bonds, Series 2012

Acceptance Deadline: Tuesday, June 19, 2012, 11:59 p.m. (eastern standard time).

Effective Date and Time of Formal Award: June 19, 2012, 3:25 p.m. (eastern standard time).

Closing Date: July 10, 2012.

2. Defined Terms

All capitalized terms used in this Agreement and not otherwise defined are used as defined in the Resolution or the Official Statement:

Acceptance Deadline: The date set forth in Section 1, being the date and time by which the Issuer must accept this Agreement.

Accountants: Tetrick & Bartlett, PLLC, the public accountants of the Issuer and/or any entity whose audited financial statements are included in the Preliminary Official Statement and the Official Statement.

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

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

Authorizing Law: Pursuant to the Resolution adopted by the Issuer on April 24, 2012, as supplemented by the Certificate of Determinations of the Issuer dated as of the date hereof, the Issuer has authorized the issuance of the Securities.

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

Bond Counsel: Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia.

Closing Date: The date set forth in Section 1 of this Agreement, being the date of the issuance and delivery of the Securities.

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

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

DTC: The Depository Trust Company.

Effective Date and Time: The date and time that this Agreement is effective, as set forth in Section 1 of this Agreement.

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

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

Escrow Agreement: The Escrow Agreement for the Prior Bonds, dated as of July 10, 2012, by the between the Issuer and the Escrow Agent.

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

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

Excluded Sections: For purposes of the representations and warranties of the Issuer set forth in Section 9(a)(xi) and the opinions of Issuer's Counsel required pursuant to Section 13, the "Excluded Sections" of the Preliminary Official Statement and the Official Statement shall be: (i) the section describing DTC and its book-entry-only procedures, (ii) the section captioned "Tax Matters", (iii) the section captioned "Verification Agent", (iv) the section captioned "Underwriting", (v) the material included in Appendix C captioned "Proposed Form of Legal Opinion", and (vi) the material included in Appendix D captioned "Book Entry Only System".

Issuer: The Issuer of the Securities, identified in Section 1.

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

(i) this Agreement,

(ii) the Resolution,

(iii) the Continuing Disclosure Undertaking,

(iv) the Escrow Agreement,

(v) the Tax and Non-Arbitrage Certificate of the Issuer, and

(vi) other applicable financing or operative documents to which the Issuer is a party, as such documents are amended and supplemented to the Closing Date.

Issuer's Counsel: Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia.

MSRB: Municipal Securities Rulemaking Board.

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

Official Statement: Official Statement dated July 10, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

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

Preliminary Official Statement: Preliminary Official Statement dated June 13, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

Prior Bonds: The Issuer's Public School Bonds, Series 2004 issued in the original aggregate principal amount of $50,000,000.

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

Purchase Price: The amount specified in Section 5 as the Purchase Price to be paid by the Underwriters at the Closing for the purchase of the Securities on the Closing Date.

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

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

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

Rule G-34 Documents: (i) the Resolution, Authorizing Law or any other authorizing document under which the Securities were issued; (ii) any amendments, extensions, renewals, replacements or terminations thereof; and (iii) any other document required to comply with MSRB Rule G-34(c), as it may be amended from time to time; and, in each case where required to be delivered, such delivery shall be by electronic means in a word-searchable PDF file labeled with the following information: (a) CUSIP number; (b) name of issuer; (c) name of transaction; (d) name of document; and (e) whether the document is an execution version or a redacted version.

Resolution: The Resolution and Order adopted by the Issuer on April 24, 2012 which authorized the issuance of the Securities.

SEC: Securities and Exchange Commission of the United States.

Securities: The Securities identified in Section 1 on the first page of this Agreement, as more specifically described in **Schedule I**.

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

State: West Virginia.

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

Underwriter: The firm identified as such in Section 1 of this Agreement.

Underwriter's Counsel: Steptoe & Johnson PLLC, Charleston, West Virginia.

3. Offer to Purchase the Securities; Execution of Terms and Acceptance

The Issuer and the Underwriter are entering into this Bond Purchase Agreement (the "*Agreement*"), to provide for the purchase and sale of the Securities. The Securities are further described in **Schedule I**.

The Underwriter hereby offers to purchase all (but not less than all) of the Securities from, and to enter into this Agreement with, the Issuer. This offer is subject to acceptance by the Issuer by the Acceptance Deadline and, if not so accepted, will be subject to withdrawal by the Underwriter by written notice delivered to the Issuer at any time prior to acceptance. The Issuer shall accept this Agreement by its execution hereof. Upon such execution, the Agreement will be binding upon the Underwriter and the Issuer. This Agreement is effective as of the Effective Date and Time.

4. Purchase of the Securities

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

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ

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

5. Purchase Price

The Purchase Price of the Securities is $47,194,829.60 (representing the principal amount of the Securities, less an Underwriter's discount of $226,767.50, and plus net original issue premium of $4,806,597.10). The Purchase Price shall be payable on the Closing Date by the Underwriter by wire transfer in immediately available funds to the order of Branch Banking and Trust Company, as Depository Bank (the "Depository Bank"), for the account of the West Virginia Municipal Bond Commission, as Escrow Agent. In accordance with Section 18, the Underwriter also will be reimbursed for those out-of-pocket expenses described therein.

6. Public Offering

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

7. Good Faith Deposit

No Good Faith Deposit will be delivered.

8. Official Statement

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

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

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

(b) The Issuer authorizes the Underwriter to file, to the extent required by any applicable SEC or MSRB rule, and the Underwriter agrees to so file, the Official Statement with the MSRB or its designee. If an amended Official Statement is prepared during the "primary offering disclosure period," and if required by any applicable SEC or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement. The Issuer shall provide the Underwriter with the information necessary to complete MSRB Form G-32 for all filings to be made under this Section 8.

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

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

9. Representations and Warranties

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

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

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

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

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

Documents and the Securities may be limited by application of Creditors' Rights Laws.

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

(vi) The Issuer shall on or before the Closing have entered into the Escrow Agreement pursuant to which the Escrow Fund shall be created. The Escrow Fund is to be held by the Escrow Agent in trust for the payment of the principal and interest due on the Prior Bonds on May 1, 2014 and to advance refund and pay the redemption price of the remaining Prior Bonds due and payable on May 1, 2014. The Escrow Fund is to be invested as described in the Escrow Agreement;

(vii) The cash deposited in the Escrow Fund, and the income to be derived from the investment thereof shall be sufficient to defease the Prior Bonds and the liens of the resolutions authorizing such bonds, all in accordance with the provisions of the Act;

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

(ix) The adoption, execution and delivery of the Securities, the Authorizing Law and the Issuer Documents, and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note,

resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets are otherwise subject, and such adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the assets of the Issuer, except as provided by the Securities, the Authorizing Law and the Issuer Documents.

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

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

(xii) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer: (A) affecting the existence of the Issuer or the titles of its officers to their respective offices, (B) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Securities or the taxation of property in the District for the repayment of the Securities or the making of any other required deposits with respect to the Securities, (C) in any way contesting or affecting the validity or enforceability of, or the power or authority of the Issuer to issue, adopt or to enter into (as applicable), the Securities, the Authorizing Law or the Issuer Documents, (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (E) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the Issuer or would result in any material adverse change

in the ability of the Issuer to impose taxes upon real and personal property in the District for the repayment of the Securities, or (F) contesting the status of the interest on the Securities as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement.

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

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

(xv) The Authorizing Law, the Issuer Documents and the Securities conform to the description thereof contained in the Official Statement.

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

(b) Covenants of the Issuer.

The Issuer hereby covenants with the Underwriter that:

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

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

(iii) Unless the Securities are being issued as taxable Securities, the Issuer shall not knowingly take or omit to take any action that, under existing law,

may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Securities.

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

(i) The Underwriter is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

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

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

10. Third-Party Credit Enhancement or Support

No Policy or Support Facility will be provided with respect to the Securities.

11. Ratings

The following ratings on the Securities shall be in effect on the Closing Date based upon the participation of the Issuer in the West Virginia Municipal Bond Program:

Standard & Poor's: AA

12. Closing

(a) The delivery of and payment for the Securities shall be the "Closing" for the Securities and shall occur at or prior to 1:00 p.m., New York City time, on the Closing Date, or at such other time or on such other date as may be mutually agreed by the Underwriters and the Issuer. The location of the Closing shall be the Issuer's administrative offices located in Morgantown, West Virginia.

(b) At the Closing, the Issuer shall deliver or cause to be delivered the Securities to the Registrar as DTC's FAST closing agent on behalf of the Underwriter, as further described in paragraph (c) below. The Securities shall be delivered in definitive form, duly executed by the President and Secretary of the Issuer and authenticated by the Registrar, together with the other documents identified in Section 13. Subject to satisfaction of the conditions contained in this Agreement, the Underwriter will accept delivery of the Securities as described above and pay

the Purchase Price, plus accrued interest, if any, on the Securities from their dated date to, but not including, the Closing Date, in immediately available funds, payable to the order of the Depository Bank or as otherwise directed by the Issuer.

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

13. Closing Conditions

The obligations of the Underwriter hereunder shall also be subject to the following additional conditions:

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

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

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

(1) The unqualified approving opinions, dated as of the Closing Date, of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel, in the form attached as Appendix C to the Official Statement accompanied by a supplementary opinion of Bond Counsel, dated as of the Closing Date, substantially in the form attached hereto as Exhibit A;

(2) The opinion of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Issuer, dated as of the Closing Date and addressed to the Underwriter and the Issuer, in the form attached hereto as Exhibit B;

(3) The opinion of Steptoe & Johnson PLLC, Charleston, West Virginia, counsel for the Underwriter, dated as of the Closing Date, substantially in the form attached hereto as Exhibit C;

(4) A certificate of the Escrow Agent dated as of the Closing Date, to the effect that (a) the Escrow Agent has the authority to act as Escrow Agent and for and in connection with the Prior Bonds and has requisite powers to carry out its duties under the Escrow Agreement; and (b) the Escrow Agreement has been duly and validly authorized, executed and delivered by the Escrow Agent, and assuming due authorization, execution and delivery thereof by the Issuer and Paying Agent, the Escrow Agreement constitutes a valid and legally binding obligation of the Escrow Agent, enforceable in accordance with its terms;

(5) A certificate of the President of the Issuer or any other of your duly authorized officers, satisfactory to the Underwriter, dated as of the Closing, to the effect that: (i) you have duly performed all of your obligations to be performed at or prior to the Closing and that each of your representations and warranties contained herein are true as of Closing, (ii) you have authorized, by all necessary action the execution, delivery, receipt and due performance of the Securities, the Undertaking, the Resolution, the Escrow Agreement and all other Issuer Documents as may be required to be executed, delivered and received by you in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (iii) to your knowledge no litigation is pending, or to your knowledge threatened, to restrain or enjoin the issuance or sale of the Securities or in any way affecting any authority for or the validity of the Securities or the Resolution, (iv) the execution, delivery, receipt and due performance of the Securities, the Issuer Documents and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and your compliance with the provisions thereof will not conflict with or constitute on your part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which you are subject or by which you are or may be bound;

(6) Verification of the arbitrage yield for the Securities, the sufficiency of the Escrow Fund and verification of the debt service savings obtained by refunding the Prior Bonds by Grant Thornton LLP, Minneapolis, Minnesota.

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

(8) Executed copies of the Undertaking, in form and substance satisfactory to the Underwriter and counsel to the Underwriter;

(9) A certificate of the Issuer executed by an authorized officer thereof, dated the Closing Date and in form and substance satisfactory to the Underwriter and counsel to the Underwriter, to the effect that the Issuer is obligated by such Undertaking and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5), excepting only such matters as may be described in the Continuing Disclosure section of the Official Statement;

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

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

(12) A reliance opinion from Bond Counsel providing that the Underwriter may rely on the Bond Counsel Opinion;

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

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

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

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

14. Issue Price Certificate

Upon request of Bond Counsel, the Underwriter shall execute and deliver on the Closing Date an issue price or similar certificate in form and substance reasonably satisfactory to the Issuer, Bond Counsel and the Underwriter.

15. Report of Verification Agent

The Issuer will deliver the report of a Verification Agent on or prior to the Closing Date which verifies the sufficiency of the deposit into the Escrow Fund under the Escrow Agreement in order to advance refund and pay at maturity or redeem in full the Prior Bonds on May 1, 2014.

16. [Reserved]

17. Termination

The Underwriter shall have the right to cancel its obligation to purchase the Securities and to terminate this Agreement by written notice to the Issuer if, between the Effective Date to

and including the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

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

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

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

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

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

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

(vi) any rating on:

(1) securities of the Issuer; or

(2) if the Securities (or any portion thereof) are insured by a Policy or supported by a Support Facility, the Bond Insurer or the Support Facility Provider is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency (including any rating to be accorded the Securities); or

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

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

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

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

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

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

18. Payment of Expenses

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

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

19. Notices

Any notice or other communication to be given to the Issuer under this Agreement may be given by certified mail or by delivering the same in writing to the Issuer at the following address:

Monongalia County Board of Education
13 South High Street
Morgantown, WV 26501
Attn: Superintendent

Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by certified mail or by delivering the same in writing to the Underwriter at the following address:

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301
Attn: Manager of West Virginia Public Finance

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

20. Governing Law

This Agreement shall be governed by the laws of the State of West Virginia.

21. Miscellaneous

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

22. Counterparts

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

23. Signatures

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

[Remainder of Page Intentionally Blank]

ACCEPTED AND AGREED:

ISSUER:

BOARD OF EDUCATION OF THE COUNTY
OF MONONGALIA

By: Barbara L. Parsons
Name: Barbara L. Parsons
Title: President

ACCEPTANCE DATE AND TIME:
June 19, 2012 at 3:25 p.m

PIPER JAFFRAY & CO.

By: _____

Name: Marie L. Prezioso

Title: Senior Vice President

SCHEDULE I

MATURITIES, AMOUNTS, INTEREST RATES YIELD AND PRICE

SERIES 2012 BONDS

Maturity Date	Principal Amount	Interest Rate	Yield	Price		Yield to Maturity
5/1/2013	1,695,000	4.000%	0.430%	102.877		
5/1/2014	1,400,000	4.000%	0.610%	106.086		
5/1/2015	1,455,000	4.000%	0.820%	108.809		
5/1/2016	1,510,000	4.000%	1.000%	111.181		
5/1/2017	1,565,000	4.000%	1.260%	112.743		
5/1/2018	1,620,000	5.000%	1.570%	118.967		
5/1/2019	695,000	1.750%	1.830%	99.489		
5/1/2019	1,000,000	4.000%	1.830%	113.829		
5/1/2020	1,745,000	5.000%	2.070%	121.022		
5/1/2021	1,825,000	3.000%	2.270%	105.796		
5/1/2022	1,870,000	3.000%	2.410%	105.124		
5/1/2023	1,925,000	5.000%	2.630%*	120.368	C	2.802%
5/1/2024	2,010,000	5.000%	2.820%*	118.562	C	3.109%
5/1/2025	2,105,000	4.000%	3.150%*	107.120	C	3.313%
5/1/2026	2,180,000	4.000%	3.300%*	105.821	C	3.466%
5/1/2027	2,260,000	4.250%	3.360%*	107.380	C	3.602%
5/1/2028	2,350,000	4.375%	3.430%*	107.810	C	3.717%
5/1/2029	2,445,000	5.000%	3.260%*	114.502	C	3.822%
5/1/2030	2,555,000	5.000%	3.330%*	113.871	C	3.911%
5/1/2031	2,675,000	5.000%	3.400%*	113.245	C	3.992%
5/1/2032	2,800,000	5.000%	3.460%*	112.711	C	4.059%
5/1/2033	2,930,000	5.000%	3.530%*	112.092	C	4.128%
	42,615,000					

***Indicates yield to the first optional redemption date of the Series 2012 Bonds.**

Optional Redemption

The Series 2012 Bonds maturing on or after May 1, 2023, are subject to redemption on or after May 1, 2022, at the option of the Issuer, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Issuer may direct the maturity or maturities of the Series 2012 Bonds and the amounts thereof to be redeemed, provided that the

Series 2012 Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

EXHIBIT A

[SUPPLEMENTAL BOND COUNSEL OPINION OF
BOWLES RICE MCDAVID GRAFF & LOVE LLP]

July 10, 2012

The Board of Education of the County of Monongalia
13 South High Street
Morgantown, WV 26501

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

Re: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale by The Board of Education of the County of Monongalia (West Virginia) (the "Board") of its $42,615,000 aggregate principal amount of Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality and tax-exempt status of the Series 2012 Bonds (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement, the Escrow Agreement and such other documents and matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings ascribed thereto in the Bond Purchase Agreement (the "Purchase Agreement") dated June 19, 2012, between the Board and Piper Jaffray & Co. (the "Underwriter").

Based upon the foregoing, we are of opinion that:

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

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

(3) The Board has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, executed and delivered by the Board, and the Board has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the sale of the Series 2012 Bonds.

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

(5) The Series 2012 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(6) Based on the foregoing, we are of the opinion that the Series 2004 Bonds are deemed to have been paid and the covenants, agreements and other obligations of the Board to the holders of the Series 2004 Bonds have been discharged and satisfied, and that such refunding will not adversely affect the excludability of the interest on the Series 2004 Bonds or the Series 2012 Bonds from gross income for federal income taxation.

Very truly yours,

BOWLES RICE MCDAVID GRAFF & LOVE LLP

EXHIBIT B

[FORM OF OPINION OF COUNSEL TO BOARD]

(LETTERHEAD OF BOWLES RICE MCDAVID GRAFF & LOVE LLP)

July 10, 2012

The Board of Education of the County of Monongalia
13 South High Street
Morgantown, WV 26501

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

Re: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as counsel to The Board of Education of the County of Monongalia, West Virginia (the "Board") in connection with the sale of the above-referenced bonds (the "Series 2012 Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of June 19, 2012 (the "Purchase Agreement"), between Piper Jaffray & Co. (the "Underwriter") and the Board. Any capitalized terms used herein and not defined shall have the meaning ascribed thereto in the Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Series 2012 Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Resolution of the Board adopted on April 24, 2012 (the "Resolution"), the Escrow Agreement, dated July 10, 2012 (the "Escrow Agreement"), by and between the Board and the West Virginia Municipal Bond Commission (the "Commission"), the Continuing Disclosure Agreement, dated July 10, 2012 (the "Continuing Disclosure Agreement"), by and between the Board and United Bank, Inc., as disclosure agent, the Purchase Agreement, the Preliminary Official Statement dated June 13, 2012, and the Final Official Statement dated June 19, 2012, with respect to the issuance and offering of the Series 2012 Bonds (collectively, the "Official Statement") and a closing certificate of the Board. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Board is a validly existing statutory corporation charged with the supervision and control of the Monongalia County School District, which is a validly existing political subdivision of the State of West Virginia, and is authorized by the Refunding Act to issue and sell the Series 2012 Bonds. The Board is authorized by the laws of the State of West Virginia, as provided by the Refunding Act, to enter into and perform its obligations under the Resolution, the Escrow Agreement, the Continuing Disclosure Agreement, the Purchase Agreement and other documents executed and delivered by the Board in connection therewith with respect to the issuance of the Series 2012 Bonds (the "Issuer Documents").

2. The Board has full power and authority to consummate all transactions contemplated by the Series 2012 Bonds and the Issuer Documents to which the Board is a party.

3. The Board has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Escrow Agreement, the Purchase Agreement and other Issuer Documents; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the Board and the issuance and delivery of the Series 2012 Bonds upon the terms set forth in the Resolution; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

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

5. The Resolution authorizing issuance of the Series 2012 Bonds has been duly adopted and entered at meetings of the Board which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of such adoption.

6. The execution and delivery of the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents by the Board and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes organizing and governing the Board or, to the best of my knowledge after diligent inquiry and reasonable review of the Board's records, any agreement or other instrument to which the Board is a party or by which it or its properties are bound.

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

8. The Board is not in violation of any provision of, or in default under, West Virginia statutes organizing and governing the Board.

9. There are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Board is a party or of which any property of the Board is subject, except as described in the Official Statement, which, if determined adversely to the Board, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Series 2012 Bonds, the Escrow Agreement or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Board to comply with its obligations under the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents, or (iii) materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the Board.

10. Based upon my experience as counsel to the Board and on my review of the Official Statement, and after diligent inquiry, but without having undertaken to verify the same through independent investigation, the statements and information contained in the Official Statement under the captions or subcaptions "Monongalia County School District," "Certain Financial Information," "Litigation in the State Concerning the School Financing System," "Litigation," "Continuing Disclosure," "Legal Matters," "Appendix A," "Appendix B" and "Appendix E" do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, it being understood, that in rendering such opinion I express no opinion with respect to statistical data, financial statements, operating statistics and other financial data in the Official Statement, including Appendix A thereto.

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

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

Very truly yours,

BOWLES RICE MCDAVID GRAFF & LOVE LLP

EXHIBIT C

UNDERWRITER'S COUNSEL OPINION

[Letterhead of Steptoe & Johnson, PLLC]

July 10, 2012

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

Re: $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co. (collectively, the "Underwriter"), in connection with the issuance and sale by the Board of Education of the County of Monongalia (West Virginia) (the "Board") of its Public School Refunding Bonds, Series 2012, in the aggregate principal amount of $42,615,000 (collectively, the "Series 2012 Bonds").

In connection with rendering this opinion, we have examined the Official Statement dated June 19, 2012, the Bond Purchase Agreement, dated June 19, 2012, by and between the Issuer and the Underwriter (the "Purchase Agreement"), and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

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

It is also our opinion that the Continuing Disclosure Agreement, which provides for an undertaking for the benefit of the holders, including beneficial holders, of the Series 2012 Bonds to provide certain annual financial information and event notices to repositories at the times and in the manner required by the Rule, satisfies as to form in all material respects the requirements of

subparagraph (b)(5) of the Rule in effect as of the date hereof and applicable to Continuing Disclosure Agreements.

In addition, we are of the opinion that the Series 2012 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but solely on the basis of our conferences with representatives of the Board, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom all financial, statistical and operating data included in the Official Statement, including the entirety of Appendix A thereto and all information concerning The Depository Trust Company and the book-entry only system for the Series 2012 Bonds, on which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2012 Bonds.

Respectfully submitted,

STEPTOE & JOHNSON PLLC

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

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

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

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

FILE COPY

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

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

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

July 16, 2012

Edward D. McDevitt
Telephone — (304) 347-1711
Facsimile — (304) 343-3058

E-Mail Address:
emcdevitt@bowlesrice.com

Internal Revenue Service Center
Ogden, Utah 84201

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
91 7108 2133 3938 6342 0898

91 7108 2133 3938 6342 0898

Re: $42,615,000 The Board of Education of Monongalia County, West Virginia Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

Please find enclosed Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, submitted in connection with the above-referenced bond issue.

Also enclosed, please find a copy of the Form 8038-G which has been stamped "COPY" in the upper right-hand corner. It would be greatly appreciated if you would stamp the copy acknowledging the receipt of the copy of the Form 8038-G and indicate the date on which the Form 8038-G was received by your office. Please then return the copy to the undersigned in the enclosed self-addressed, postage prepaid, envelope.

If you have any questions or comments regarding the foregoing, please contact the undersigned at your convenience. Thank you for your cooperation.

Very truly yours,

Edward D. McDevitt

EMD/kfs
Enclosure

Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ **Under Internal Revenue Code section 149(e)**
▶ **See separate instructions.**
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name
The Board of Education of the County of Monongalia (WV)

2 Issuer's employer identification number (EIN)
55-6000366

3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)

3b Telephone number of other person shown on 3a

4 Number and street (or P.O. box if mail is not delivered to street address) — Room/suite
13 South High Street

5 Report number *(For IRS Use Only)*
3

6 City, town, or post office, state, and ZIP code
Morgantown, West Virginia 26501

7 Date of issue
July 10, 2012

8 Name of issue
The BOE of Monongalia County (WV) Public School Refinancing Bonds Series 2012

9 CUSIP number
610219DG9

10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)
TERRY HAWKINS, Treasurer

10b Telephone number of officer or other employee shown on 10a
304.291.9210

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11	47,421,591.10
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	May 1, 2033	$ 47,421,597.10	$ 42,615,000.00	12.1559 years	2.8820 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	.00
23	Issue price of entire issue (enter amount from line 21, column (b))			23	47,421,597.10
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	314,102.00		
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	47,107,495.10		
29	Total (add lines 24 through 28)			29	47,421,597.10
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	0.00

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 ▶	12.4506 years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	05/01/2014
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	05/26/2004

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	N/A
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	N/A
b	Enter the final maturity date of the GIC ▶		
c	Enter the name of the GIC provider ▶		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	N/A

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Frank Devono — Signature of issuer's authorized representative

7/10/12 — Date

Dr. Frank Devono, Superintendent — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Camden P. Siegrist	Camden P. Siegrist	7/10/2012		P01387359

Firm's name ▶ Bowles Rice McDavid Graff & Love LLP — Firm's EIN ▶ 55-0394186

Firm's address ▶ 600 Quarrier Street, Charleston, West Virginia 25301 — Phone no. 304.347.1129

Track & Confirm

You entered: 9171082133393863420898

Status: Delivered

Your item was delivered at 11:39 am on July 19, 2012 in OGDEN, UT 84201. Additional information for this item is stored in files offline.

You may request that the additional information be retrieved from the archives, and that we send you an e-mail when this retrieval is complete. Requests to retrieve additional information are generally processed within four hours. This information will remain online for 30 days.

I would like to receive notification on this request

Continue

Find Another Item

What's your label (or receipt) number?

Find

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated as of July 10, 2012, is by and between the Board of Education of the County of Monongalia (the "Board") and United Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution adopted by the Board on April 24, 2012, authorizing issuance of the Series 2012 Bonds (the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Series 2012 Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Series 2012 Bonds in Appendix A entitled "Audit Report of Monongalia County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

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

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2012 Bonds (including persons holding Series 2012 Bonds through nominees, depositories or other intermediaries).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated June 19, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Series 2012 Bonds from the Board upon the terms set forth therein.

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

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

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

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

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

"Participating Underwriter" shall mean the original underwriter of the Series 2012 Bonds which is required to comply with the Rule in connection with the offering of the Series 2012 Bonds.

"Repository" shall mean each National Repository.

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

"Series 2012 Bonds" shall mean the $42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

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

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

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

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

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

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2012 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

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

4. unscheduled draws on credit enhancements reflecting financial difficulties;

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

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012 Bonds, or other events affecting the tax status of the Series 2012 Bonds;

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

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

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Series 2012 Bonds, if material;

11. rating changes;

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

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

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

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

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

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

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

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

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

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2012 Bonds. If such termination occurs prior to the final maturity of the Series 2012 Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Series 2012 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2012 Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2012 Bonds.

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

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

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Series 2012 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Series 2012 Bonds or pursuant to the Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

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

To the Board:
The Board of Education of the County of Monongalia
13 South High Street
Morgantown, West Virginia 26501

To the Disclosure Agent:
United Bank, Inc.
ATTN: Corporate Trust
500 Virginia Street, East
Charleston, WV 25392

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

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

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

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

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

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

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action.

[Remainder of Page Intentionally Blank]

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

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: _____
Its: Board President

UNITED BANK, INC., as Disclosure Agent

By: _____

Its: _____

Date: July 10, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the County of Monongalia (the "Board")
Name of Bond Issue:	$42,615,000 The Board of Education of the County of Monongalia (West Virginia) Public School Refunding Bonds, Series 2012
Date of Bond Issue:	July 10, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided Annual Financial Information with respect to the above-named Series 2012 Bonds as required by Section 3(b) of that certain Continuing Disclosure Agreement dated as of July 10, 2012, to be provided. The Board anticipates that the Annual Financial Information will be filed by _____, 20__.

Dated: _____, 20___.

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

cc: Board

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (WEST VIRGINIA)
[Name of Issuer]

May 12, 2004
[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]
[For Corporate Issues:
General Counsel's Office; 49th Floor]
The Depository Trust Company
55 Water Street
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 be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: _____

DTCC

The Depository Trust & Clearing Corporation

Very truly yours,

The Board of Education of the County of Monongalia (West Virginia)
(Issuer)

By: _____
(Authorized Officer's Signature)

Michael J. Vetere, Jr.
(Print Name)

13 South High Street
(Street Address)

Morgantown, WV, USA 26501
(City) (State) (Country) (Zip Code)

(304) 291-9210
(Phone Number)

mvetere@access.k12.wv.us
(E-mail Address)

12/021

(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 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 85 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, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, 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.**

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 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 [nor its nominee], 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 transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

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.

NONE IN THIS TRANSACTION

$42,615,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

REGISTRAR'S AGREEMENT

THIS AGREEMENT, dated as of July 10, 2012, by and between THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA (West Virginia), a public corporation of the State of West Virginia (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia, a West Virginia banking corporation (the "Bank"), as Registrar under a Resolution and Order of the Issuer adopted April 24, 2012, as supplemented and amended (the "Resolution").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $42,615,000 aggregate principal amount of Public Refunding School Bonds, Series 2012, in fully registered form (the "Bonds"), pursuant to the Resolution;

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Agreement does appoint the Bank to act as Registrar under the Resolution and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agree to perform all of the powers and duties of Registrar as set forth in the Resolution, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Bonds for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the 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 Bank agrees to distribute redemption notices at the times, in the manner, and otherwise in accordance with the provisions of the Bonds and the Resolution.

3. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank'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.

4. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

5. As compensation for acting as Registrar pursuant to this Agreement and the Resolution, the Issuer hereby agrees to pay to the Bank, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

6. It is intended that this Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Resolution, the terms of the Resolution shall govern.

7. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Resolution will violate any order, decree or agreements to which it is a party or by which it is bound.

8. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

ISSUER: The Board of Education of the
County of Monongalia
13 South High Street
Morgantown, West Virginia 26501
Attention: President

BANK: United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
Attention: Corporate Trust

9. The Bank, as Registrar, is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Resolution.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA and UNITED BANK, INC. have caused this Agreement to be signed in their respective names and on their behalf, all as of this day and year first above-written.

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

By: Barbara L Parsons
Its: President

UNITED BANK, INC.

By:
Its: Vice President and Trust Officer

WEST VIRGINIA MUNICIPAL BOND COMMISSION
Suite 401
1207 Quarrier Street, Charleston, WV 25301
(304) 558-3971 FAX: 558-1280

NEW ISSUE REPORT FORM
Date of Report: July 9, 2012

ISSUE: The Board of Education the County of Monongalia Public School Refunding Bonds, Series 2012

ADDRESS: 13 South High Street, Morgantown, West Virginia 26501 COUNTY: Monongalia

PURPOSE OF ISSUE: New Money ____ Refunding X Refunds issue(s) dated: May 26, 2004

ISSUE DATE: July 10, 2012 CLOSING DATE: July 10, 2012

ISSUE AMOUNT: $42,615,000.00 (PAR) RATE: 3.410713 (TIC)

1st DEBT SERVICE DUE: November 1, 2012 1st PRINCIPAL DUE: May 1, 2013

1st DEBT SERVICE AMOUNT: $577,670.21 PAYING AGENT: MBC

BOND COUNSEL: Bowles Rice McDavid Graff & Love LLP
Contact Person: Edd McDevitt
Phone: 304.347.1711

UNDERWRITERS COUNSEL: STEPTOE & JOHNSON PLLC
Contact Person: Tom Aman
Phone: 304.933.8136

CLOSING BANK: BB&T (WV)
Contact Person: Michael Holtslow
Phone: 304.348.7078

ESCROW TRUSTEE: MBC
Contact Person:
Phone:

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Terry Hawkins
Position: Treasurer
Phone: 304.291.9210
Email: whawkins@access.K12.wv.vs

OTHER: Pipper Jaffray
Contact Person: Marie Prezioso
Position: Sr. V.P./WV Mgr. Public Finance
Phone: 304.545.9691 (Cell)
304.343.7102

DEPOSITS TO MBC AT CLOSE: $47,107,495.10
By X Wire
____ Check
____ In-house Transfer

Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
X Other: *Escrow $ $47,107,495.10

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By X Wire
____ Check
____ IGT
Purchase Gov't Obligations

____ To Escrow Trustee: $
____ To Issuer: $
____ To Cons.Invest Fund $
To Other Credit Suisse $ 47,107,495.10*

NOTES: *Payment for open market securities is payment against delivery.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required:
Transfers Required:

CERTIFICATE OF BIDDING AGENT IN CONNECTION WITH

$42,615,000
The Board of Education of the County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

Based on its knowledge, experience and belief, Piper Jaffray & Co. (the "Bidding Agent") hereby certifies in connection with the acquisition of the United States Treasury securities (the "Acquired Obligations") by The Board of Education of the County of Mongalia, West Virginia (the "Board"), from Credit Suisse Securities LLC (the "Provider") for the yield-restricted advance refunding escrow financed with proceeds of the above-referenced bonds (the "Bonds"), as follows::

1. On behalf of the Board, the Bidding Agent made a solicitation for bids for the Acquired Obligations in accordance with the "Terms of Use" attached as Appendix A to this Certificate. Pursuant to the Terms of Use and its engagement with the Board, the Bidding Agent made available to potential bidders on its Web Site the Bid Specifications attached as Appendix B to this Certificate (the "Bid Specifications") on the date and time period set forth in Appendix C to this Certificate. The Web Site is regularly used by the Bidding Agent to post guaranteed investment contract bid specifications to potential bidders. The Bidding Agent had no reason to believe that the Bid Specifications did not include all terms that directly or indirectly affect the yield or the cost of the Acquired Obligations in a material respect.

2. The Bid Specifications contained the following statement: *"Submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid is determined without regard to any other formal or informal agreement that the potential provider has with the Board or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the Board or any other person for purposes of satisfying applicable statutory or regulatory requirements."*

3. Based on its discussions with the Board, the Bidding Agent had no reason to believe that all terms of the Bid Specifications do not have a legitimate business purpose other than to increase the purchase price or reduce the yield of the Acquired Obligations.

4. All bidders had an equal opportunity to bid and, to the best of our knowledge, no bidder had any opportunity to review other bids before bidding.

5. The Bidding Agent solicited bids from at least three "reasonably competitive providers" of open market securities such as the Acquired Obligations. For purposes of this Certificate, a "reasonably competitive provider" is a provider that has an established industry reputation as a competitive provider of investments similar to the Acquired Obligations. Based on the experience of the Bidding Agent in acting as the bidding agent for other investments, the Bidding Agent reasonably believes the Provider and all other entities listed in Appendix B hereto to be "reasonably competitive providers."

6. The Bidding Agent received at least three bona fide bids from providers of open market securities, other than the lead underwriter of the Bonds, pursuant to the bid solicitation described in this Certificate. To the best of the Bidding Agent's knowledge, none of the bidders (other than the lead underwriter of the Bonds) or any person related to the bidders for federal tax purposes has a material financial interest in the Bonds. For this purpose, a bidder with a "material financial interest" means a bidder that is lead underwriter of the Bonds for a period until 15 days after the date of issuance of the Bonds.

7. Based on the experience of the Bidding Agent in acting as the bidding agent for other investments, the Bidding Agent reasonably believes that at least one of the bids received as described in 6 above is from a reasonably competitive provider (as such term is described in paragraph 5 above) of open market securities such as the Acquired Obligations.

8. We did not bid to provide the Acquired Obligations.

9. The Provider's winning bid to supply the Acquired Obligations is the lowest cost bona fide bid for the portfolio of Acquired Obligations (including any broker's fee).

10. The Bidding Agent did not solicit on the Board's behalf bids to provide an escrow float contract or other guaranteed investment contract in connection with the defeasance escrow for which the Acquired Obligations were purchased.

11. The bids were required to be submitted on June 19, 2012. On that date, U.S. Treasury Securities of the State and Local Government Series ("SLGS") were available for purchase from the U.S. Department of Treasury, Bureau of Public Debt. Based upon the schedules required to be attached hereto by paragraph 13(h) of this Certificate, the cost of the Acquired Obligations (including any broker's fee) is not greater than the cost of the most efficient portfolio comprised exclusively of SLGS as determined at the time that bids were required to be submitted pursuant to the Bid Specifications.

12. In connection with solicitation of the bids for the Acquired Obligations, the Bidding Agent has been paid a fee of $15,000. Although Piper Jaffray will receive compensation from the Board for Piper Jaffray's services as underwriter of the Bonds, it has not received and will not receive any other compensation from any party for its services as Bidding Agent. The Bidding Agent fee is not greater than the lesser of (i) $36,000 and (ii) the greater of (A) 0.2% of the amount of proceeds of the Bonds used to purchase the Acquired Obligations and (B) $4,000. The Bidding Agent has no knowledge of any other fees paid in connection with investments of proceeds of the Bonds.

13. Attached hereto are: (a) a copy of each confirmation for the Acquired Obligations; (b) a certificate executed by the Provider setting forth all administrative costs that it has paid (or expects to pay) to third parties in connection with supplying the Acquired Obligations to the Board; (c) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results; (d) copy of the Bid Specifications; and (e) schedules demonstrating that the lowest cost *bona fide* bid (including any broker's fee) to provide the

Acquired Obligations is not greater than the cost of the most efficient portfolio comprised exclusively of SLGS as determined at the time that bids were required to be submitted pursuant to the Bid Specifications.

14. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Bidding Agent's interpretations of any laws, including specifically sections 103 and 141 through 150 of the Internal Revenue Code and the regulations thereunder the representations set forth in this Certificate may be relied upon by the Board in complying with the requirements under sections 103 and 141 through 150 of the Internal Revenue Code and the regulations thereunder relating to investment of tax-exempt bond proceeds in connection with the Bonds and by Bond Counsel in rendering its opinion on the exclusion from gross income of the interest on the Bonds for federal income tax purposes. No other persons may rely on the representations set forth in this Certificate without the prior written consent of the Bidding Agent.

Dated: July 10, 2012.

PIPER JAFFRAY & CO.

By: _____
Name: Kyle Javes
Title: Vice President

Appendix A – Terms of Use
Appendix B – Bid Specifications
Appendix C – List of Bidders and Bid Results
Appendix D – Confirmations
Appendix E – Provider's Certificate
Appendix F – Cost of SLGS Portfolio

PIPERJAFFRAY.COM
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Your and your company agree to be bound by these Terms of Use

As used in these Terms of Use, the word "you" refers to you individually and, if you are using the Site on behalf of your company, your company.

These Terms of Use govern your and your company's use of this Site and the information, products and services provided through this Site. These Terms of Use constitute a legally binding contract between us and you and, if you are accessing this Site on behalf of a business ("your company"), between us and your company.

By accessing or using this Site for your own personal use, you are agreeing to be legally bound by these Terms of Use. By accessing or using this Site on behalf of your company, you are agreeing, on behalf of yourself and your company, that you and your company will be legally bound by these Terms of Use. IF YOU DO NOT AGREE TO THESE TERMS OF USE YOU MAY NOT USE AND MUST EXIT FROM THIS SITE. IF YOU DO NOT HAVE AUTHORITY TO LEGALLY BIND YOUR COMPANY, OR DO NOT AGREE THAT YOUR COMPANY WILL BE BOUND BY THESE TERMS OF USE, YOU MAY NOT USE THIS SITE ON BEHALF OF YOUR COMPANY.

Effective date of these Terms of Use

These Terms of Use are effective as of January 1, 2008.

These Terms of Use may change from time to time

We are continually adding features and functionality to this Site. Because of these changes, changes in the law, or changes in technology, we may need to revise these Terms of Use from time to time. Accordingly, we reserve the right to update or modify these Terms of Use, at any time and without prior notice, by posting the revised version of these Terms of Use on this Site. These changes will be effective as of the date we post the revised version on this Site. Your use of this Site following any such change constitutes your agreement (and, if you are using this Site on behalf of your company, your company's agreement) to be bound by the revised Terms of Use.

To alert you to changes in these Terms of Use, we will provide a notice at the top of these Terms of Use for at least 30 days after the new effective date and highlight the changes so that you can locate them easily. Unless the change is a minor change (such as a change in our contact information) or a non-substantive change (such as the correction of a typographical error).

You may access the current version of these Terms of Use at any time by clicking on the link marked "Terms of Use" at the bottom of each page of this Site.

These Terms of Use may be supplemented by additional disclosures and notices

These Terms of Use may be supplemented or amended by specific disclosures and notices posted describing the products or services to which they relate.

These Terms of Use may be supplemented by click-through agreements

These Terms of Use may be supplemented or amended by "click-through" agreements. For example, when you register to use a password-protected area of this Site, you may be asked to agree (by clicking on a word or checking a box) to special terms governing your and your company's use of that area of this Site. In the event of a conflict between these Terms of Use and any click-through agreements, the terms and conditions of the click-through agreement shall govern, but only with respect to the subject matter of the click-through agreement.

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Certain areas of this Site may be password protected. You are responsible for maintaining the confidentiality of your password. We have the right to assume that anyone accessing the password protected areas of this Site using a password assigned to you has the right to do so. You and your company will be solely responsible for the activities of anyone accessing this Site using a password assigned to you, even if the individual is not, in fact, authorized by you. You agree that you will immediately notify us of any known or suspected unauthorized use of your password or any other breach of security and will change your password if you believe your password may have been compromised or used without authorization. You and your company (if any) shall defend, indemnify and hold Piper Jaffray and its Affiliates from and against any and all losses, injuries, claims, liabilities, damages, fines, penalties, costs and expenses (collectively, "Claims") arising out of any use or misuse of this Site, including its Content, through your password; provided that (a) we notify you and your company promptly in writing of any such Claims (provided that our failure to do so will not relieve you or your company of your or its obligations hereunder if the defense of the Claim is not prejudiced by the delay); (b) you and your company shall have the right to control any negotiations or defense; and (c) we provide such assistance as you or your company may reasonably request at your or your company's sole cost and expense.

Your use of the Piper Jaffray Municipal Reinvestment area of this Site

Your use of the Piper Jaffray Municipal Reinvestment area of this Site (the "Municipal Reinvestment Site") is subject to these Terms and Conditions and any disclosures, notices or instructions posted on the Municipal Reinvestment Site that apply to you or your company, including the applicable bid specifications and conditions.

If you are a provider of investment contracts, by participating in the bidding process by submitting conditions or a bid, you are agreeing on behalf of your company to the terms and conditions (including all applicable representations and warranties) set forth in the applicable bid specifications and any additional conditions posted on the Municipal Reinvestment Site.

By submitting bids on the Piper Jaffray Municipal Reinvestment Site, potential providers of investment contracts agree and warrant that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the issuer of the bonds or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the issuer of the bonds or any other person for purposes of satisfying the fair market value requirements of Section 1.148-5(d)(6)(iii)(B)(1) or (2) of the U.S. Treasury Regulations.

By using the Site, users who have access to bidding information during the conduct of bidding agree at all times not to share information with potential providers concerning bids submitted during the bidding process. The sharing of such information prior to the dissemination of such information by the bidding agent may subject those persons to criminal anti trust law and criminal penalties associated therein. Piper Jaffray expressly disclaims any liability associated with the unauthorized sharing of information or its misuse regarding bids in process.

Privacy Pledge

Our Privacy Pledge describes our privacy commitment to you. It describes the personal information we collect and how we use, share and safeguard that information. Our Privacy Pledge is incorporated into and is an integral part of these Terms of Use. By agreeing to these Terms of Use, you are also consenting to our collection, use and disclosure of your personal information in accordance with our privacy pledge.

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- Name
- Date of birth
- Address (street)
- Identification number
  - U.S. citizen: TIN or social security number
  - Non-U.S. citizen: TIN; passport number and country of issuance; alien identification card number; or government-issued identification showing nationality, residence and a photograph
- You may also need to show your driver's license or other identifying documents.
- A corporation, partnership, trust or other legal entity may need to provide other information such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement or a trust agreement.

We may be required to disclose this information pursuant to applicable laws, rules or regulations, but it will otherwise be retained in confidence and disclosed only as set forth in our Privacy Pledge.

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Interpretation

As used in these Terms of Use, the term "including" means "including, but not limited to."

Waiver

Our failure at any time to require performance of any provision of these Terms of Use or to exercise any right provided for herein shall not be deemed a waiver of such provision or such right. All waivers must be in writing. Unless the written waiver contains an express statement to the contrary, no waiver by Piper Jaffray or one of its Affiliates of any breach of any provision of these Terms of Use or of any right provided for herein shall be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under these Terms of Use.

Severability

If any provision of these Terms of Use is held by a court of competent jurisdiction to be contrary to law, such provision shall be changed and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law and the remaining provisions of these Terms of Use shall remain in full force and effect.

Governing Law, Jurisdiction and Venue

The Piper Jaffray headquarters are located in Minneapolis, MN U.S.A. These Terms of Use shall be governed under the laws of the State of Minnesota without regard to its conflicts of law provisions. All actions or proceedings arising out of or relating to these Terms of Use shall be venued exclusively in state or federal court in Hennepin County, MN. You and your company hereby irrevocably consent and submit to the personal jurisdiction of said courts for all such purposes.

Entire Agreement

These Terms of Use, as supplemented or amended by the disclosures and notices posted on this Site (including with respect to the Municipal Reinvestment area, any applicable bid specifications) and any click-through agreements, (a) contain the entire understanding and agreement between you and your company (if any) and Piper Jaffray and its Affiliates with respect to your and your company's use of this Site, and (b) supersede all previous communications, negotiations and agreements, whether oral, written, or electronic, between you and Piper Jaffray and its Affiliates with respect to this Site and your and your company's use of this Site.

Questions regarding these Terms of Use

If you have questions regarding these Terms of Use, please e-mail us.

PiperJaffray.

Piper Jaffray & Co.
800 Nicollet Mall, J13N02
Minneapolis, MN 55402
(612) 303-6673
FAX: (612) 303-0334

TO: Treasury Dealers
DATE: June 18, 2012
BIDS DUE: Tuesday, June 19, 2012 at 1:30 PM Eastern Time
SUBJECT: Bid Specifications for a Portfolio of U.S. Government Securities in Connection with the issuance of

$43,570,000*
The Board of Education of the County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

(the "Bonds")

Piper Jaffray & Co. is Bidding Agent for the purchase, by The Board of Education of the County of Monongalia, West Virginia, (the "Board"), from a Provider, of a Portfolio of U.S. Government Securities. Below, you will find an outline of the Bid Specifications for the transaction. The Board will select the winning bidder in accordance with the criteria described below.

The bids will be taken on Tuesday, June 19, 2012 at 1:30 PM ET. The Bidding Agent reserves the right to extend the deadline for the time bids must be submitted by posting revisions to the bidding website at https://www.piperjaffray.com/client/municipalreinvestment

If you have any conditions to your bid, the conditions should be submitted by 9:00 AM Eastern Time on Tuesday, June 19, 2012 by e-mail to kyle.f.javes@pjc.com.

Bids should be submitted using the Piper Jaffray Municipal Reinvestment Web Site (the "Web Site") which is found at

https://www.piperjaffray.com/client/municipalreinvestment.

In the event that an error of an operational nature prohibits the potential bidder from submitting a bid via the Web Site, in the discretion of the Bidding Agent, that bidder may email a bid to kyle.f.javes@pjc.com as long as it is received before the posted bid deadline.

The Board expects to award the bid within 5 minutes of the bid submittal deadline.

Please call Kyle Javes at (612) 303-6673 or Tom LaFleur at (312) 920-3222 if you have any questions.

*Preliminary, subject to change

Escrow Securities Bid
Bids Due 1:30 PM ET
Tuesday, June 19, 2012

Board:	The Board of Education of the County of Monongalia, West Virginia
Bond Counsel:	Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia
Escrow Agent:	West Virginia Municipal Bond Commission
Bid Date:	June 19, 2012
Bid Deadline Time:	1:30 PM Eastern Time
Verification Agent	TBD
Award Date:	No later than 1:40 PM Eastern Time on the Bid Date
Settlement Date:	**July 10, 2012.** The securities will be delivered by the Provider versus payment from the Escrow Agent. The Provider will guarantee delivery of securities. Transaction Confirmations must be scanned and e-mailed or faxed to the Bidding Agent and the Escrow Agent on the same day of the award. Acceptance of purchased securities is subject to the availability to the Board of cash proceeds from the sale and delivery of the Bonds. Provider assumes delivery risk.
Waiver:	The Provider will have no recourse against the Board, Bidding Agent, Escrow Agent, Bond Counsel or any other member of the working group for any expenses incurred or damages sustained in the event the transaction fails to close.
Basis for award:	The winning Provider will be determined based upon the lowest cost portfolio of securities that satisfies the escrow disbursement requirements. The Board reserves the right to reject any and all bids at its own discretion. Any changes will be communicated to the winning provider only.
Award Subject to Escrow	The award of the bid is subject to final verification of escrow

Verification:	yield and cash flow sufficiency by the Verification Agent.
Escrow Requirements:	See Exhibit B.
Name and mailing address to appear on confirm:	TBD
Tax ID No.	TBD
DVP Wire Instructions:	TBD
Permitted Securities:	United States Treasury Obligations
Bidder's Representation:	Submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Board or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the Board or any person for purposes of satisfying applicable statutory or regulatory requirements.
Equal Opportunity:	All potential providers will have an equal opportunity to bid. No potential provider will have the opportunity to review other bids before providing a bid.
Fees	The Escrow Bidding Fee will be $15,000 for this transaction. The winning bidder will be paying the fee to the Bidding Agent and therefore such fee should be included in any bid.
Bid Submittal:	The Certificate of Provider attached as Exhibit A is to be executed through the Web Site process. By providing a bid, the Potential Provider makes the representations found in Exhibit A.

EXHIBIT A

$43,570,000*
The Board of Education of the County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

(the "Bonds")

To Be Executed through the Web Site Process
By Providing a Bid the Potential Provider Represents as Follows:

1. We are a reasonably competitive provider of securities of the type described in the Bid Specifications.

2. You have not provided us any information which induced us to bid a yield/amount lower than the yield/amount induced by the Bid Specifications.

3. We (including any related parties) do not have any financial interest in or with respect to the Bonds, nor are we (including any related party) an underwriter or financial advisor with respect to the Bonds.

4. No qualified administrative costs (as defined in the Treasury Regulations 1.148-5(e)(2)) are to be paid by the Provider to third parties in connection with the Agreement other than the Bidding Agent Fee disclosed in the Bid Specifications.

5. We did not consult with any other potential providers about our bid.

6. Our bid is *not* being submitted solely as a courtesy to the Board or any other person for purposes of satisfying the requirements of the applicable Treasury Regulations.

7. The bid was determined without regard to any formal or informal agreement that the Provider has with the Board, or any other person (whether or not in connection with the Bonds).

8. We received the Bid Specifications in writing in a timely manner and had sufficient time to formulate a competitive bid.

9. We have not had the opportunity to review other bids before providing our bids.

By submitting a bid the Provider acknowledges that the closing and settlement of the securities with the selected bidder is subject to final documentation mutually acceptable to the parties to this transaction. The Board is not obligated to accept any bid, and neither the Board, the Bidding Agent, the Escrow Agent, or the Bond Counsel shall be liable to the Provider in the event the purchase of the securities does not close..

*Preliminary, subject to change

EXHIBIT B
Estimated Escrow Requirements

$43,570,000*
The Board of Education of the County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012

(the "Bonds")

Requirement Date	Requirement Amount
11/01/12	1,067,875.00
05/01/13	2,312,875.00
11/01/13	1,036,750.00
05/01/14	42,908,450.00
TOTAL	47,325,950.00

Table Is an Embedded Excel Worksheet

The Board will not entertain bids that include payments of any kind for any float periods between the maturity date of escrow securities and payment obligation dates on the Bonds.

*Preliminary, subject to change

Municipal Reinvestment Home

Transaction Detail

Current date & time: 06-21-2012 @ 09:16 AM CT

Monongalia Escrow

This transaction is Closed

Bid Time	06-19-2012 @ 12:31 PM CT	
Contract Type	Security Purchase	
Fund Type	Escrow	
Initial Deposit / Notional	$47,325,950.00	
Conditions Due Date	06-19-2012 @ 09:00 AM CT	No conditions
Bid Configuration	Upfront Payment	
Attachments	Bid Specifications Approved Conditions	

Deal Summary

Piper Jaffray is accepting offers on a portfolio of securities for the Board of Education for the County of Monongalia, West Virginia. The offers must be submitted via the Piper Jaffray bidding website by 12:30 PM ET. The bid specifications are available for download from the Piper Jaffray bidding website. Please contact Kyle Javes at 612-303-6673 if you have any questions.

Provider	Bid Date	User	Current Bid
Credit Suisse	06-19-2012 @ 12:29 PM CT	Chris Patronis	**$47,107,495.10**
Bank of America Securities	06-19-2012 @ 12:29 PM CT	Peter Russell	$47,108,880.80
Cantor Fitzgerald	06-19-2012 @ 12:29 PM CT	Chris Cercy	$47,130,175.94
HSBC Bank USA N.A.			
JP Morgan Chase Bank, N.A.			
BB&T Capital Markets			

BACK TO TRANSACTION HISTORY LIST

ACTIVITY REPORTS

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Trade Tickets for Monongalia County WV

06/19/2012 16:15 Trade Date : 06/19/12
Trader : CHRIS PATRONIS CUSIP : 912828PD6
At : CREDIT SUISSE SECURITIES (USA) LLC ISIN : US912828PD61
SELLS : 657 (M) of T 0 3/8 10/31/12 Issuer : US TREASURY N
Dated : 11/01/10
Price : 100.089516 Yield : 0.083344

Settlement: 07/10/12
Notes : Monongalia County WV
** Principal : USD 657,588.12 **
** Accrued(71 days): 475.34 **
** Total : USD 658,063.46 **

06/19/2012 16:16 Trade Date : 06/19/12
Trader : CHRIS PATRONIS CUSIP : 912828QE3
At : CREDIT SUISSE SECURITIES (USA) LLC ISIN : US912828QE36
SELLS : 1904 (M) of T 0 5/8 04/30/13 Issuer : US TREASURY N
Dated : 05/02/11
Price : 100.337684 Yield : 0.205980

Settlement: 07/10/12
Notes : Monongalia County WV
** Principal : USD 1,910,429.50 **
** Accrued(71 days): 2,295.92 **
** Total : USD 1,912,725.42 **

06/19/2012 16:18 Trade Date : 06/19/12
Trader : CHRIS PATRONIS CUSIP : 912828JQ4
At : CREDIT SUISSE SECURITIES (USA) LLC ISIN : US912828JQ49
SELLS : 632 (M) of T 2 3/4 10/31/13 Issuer : US TREASURY N
Dated : 10/31/08
Price : 103.246038 Yield : 0.260534

Settlement: 07/10/12
Notes : Monongalia County WV
** Principal : USD 652,514.96 **
** Accrued(71 days): 3,353.21 **
** Total : USD 655,868.17 **

06/19/2012 16:19 Trade Date : 06/19/12
Trader : CHRIS PATRONIS CUSIP : 912828KN9
At : CREDIT SUISSE SECURITIES (USA) LLC ISIN : US912828KN98
SELLS : 42500 (M) of T 1 7/8 04/30/14 Issuer : US TREASURY N
Dated : 04/30/09
Price : 102.887278 Yield : 0.272126

Settlement: 07/10/12
Notes : Monongalia County WV
** Principal : USD 43,727,093.15 **
** Accrued(71 days): 153,744.90 **
** Total : USD 43,880,838.05 **

$43,570,000*
The Board of Education of the County of Monongalia (West Virginia)
Public School Refunding Bonds, Series 2012
(the "Bonds")

To Be Executed through the Web Site Process
By Providing a Bid the Potential Provider Represents as Follows:

1. We are a reasonably competitive provider of securities of the type described in the Bid Specifications.

2. You have not provided us any information which induced us to bid a yield/amount lower than the yield/amount induced by the Bid Specifications.

3. We (including any related parties) do not have any financial interest in or with respect to the Bonds, nor are we (including any related party) an underwriter or financial advisor with respect to the Bonds.

4. No qualified administrative costs (as defined in the Treasury Regulations 1.148-5(e)(2)) are to be paid by the Provider to third parties in connection with the Agreement other than the $15,000 Bidding Agent Fee, as disclosed in the Bid Specifications.

5. We did not consult with any other potential providers about our bid.

6. Our bid is *not* being submitted solely as a courtesy to the Board or any other person for purposes of satisfying the requirements of the applicable Treasury Regulations.

7. The bid was determined without regard to any formal or informal agreement that the Provider has with the Board, or any other person (whether or not in connection with the Bonds).

8. We received the Bid Specifications in writing in a timely manner and had sufficient time to formulate a competitive bid.

9. We have not had the opportunity to review other bids before providing our bids.

By submitting a bid the Provider acknowledges that the closing and settlement of the securities with the selected bidder is subject to final documentation mutually acceptable to the parties to this transaction. The Board is not obligated to accept any bid, and neither the Board, the Bidding Agent, the Escrow Agent, or the Bond Counsel shall be liable to the Provider in the event the purchase of the securities does not close.

The Provider is providing the services described in this certificate as an arm's length counterparty and not as an advisor or fiduciary to the Issuer. In connection with the provision of any such services, there is no agreement, direct or indirect, between the Issuer (including the officials, management, employees or agents thereof) and the Provider for the Provider to provide advice to the Issuer. The Issuer should consult with its financial, accounting and legal advisors regarding any such services provided by the Provider. In addition, the Provider is not acting for direct or indirect compensation to solicit the Issuer on behalf of an unaffiliated bidding agent, dealer, municipal securities dealer, municipal advisor, or investment adviser for the purpose of obtaining or retaining an engagement by the Issuer for or in connection with Municipal Financial Products, the issuance of municipal securities, or of an investment adviser to provide investment advisory services to or on behalf of Issuer.

The Provider understands that Bond Counsel will rely upon this certificate, among other things, in reaching its conclusion that the Bonds do not constitute "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, Credit Suisse Securities (USA) LLC has signed this certificate on July 10th, 2012.

CREDIT SUISSE SECURITIES (USA) LLC

By

Name: CHRIS PATRONIS

Title: DIRECTOR

Escrow Cost

The Board of Education of the

County of Monongalia (West Virginia)

Public School Bonds, Series 2012

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	11/1/2012	1,033,818	0.080%	1,033,818.00
SLGS	5/1/2013	2,255,408	0.160%	2,255,408.00
SLGS	11/1/2013	982,199	0.200%	982,199.00
SLGS	5/1/2014	42,854,881	0.250%	42,854,881.00
		47,126,306		47,126,306.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
7/10/2012	47,126,306	1.13	47,126,307.13	0.246713%
	47,126,306	1.13	47,126,307.13	

Notes:

Preliminary, subject to change.

Based on market conditions as of June 18, 2012.

Assumes 'AA' rated by Standard & Poor's.

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 2 OF 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 6, 2012

Natalie E Tennant

Secretary of State

) INDEBTEDNESS

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magisterial districts
other governing body
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§ 227.
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ace thereof were invalid. Const.
Code, 13-1-35. Appalachian
County Court of Mercer County,
d 531, 146 W.Va. 118. Counties

ARTICLE 2

REFUNDING BONDS

Section

13-2-1. What political divisions may issue refunding bonds; when issued.
13-2-2. Terms of refunding bonds; time, place and amount of payments.
13-2-3. Certain provisions of article one to apply to refunding bonds.
13-2-4. Disposition of bonds; cancellation of original bonds.
13-2-5. Article sufficient authority for issuing refunding bonds.
13-2-6. Issuance without election or notice.
13-2-7. Invalidity of part of article not to affect other parts.
13-2-8. Bonds exempt from taxation.
13-2-9. Funding of orders, drafts or warrants by county courts and boards of education at rate lower than six percent.

§ 13-2-1. What political divisions may issue refunding bonds; when issued

Any county, by and through its county commission, either for and on behalf of the county or for and on behalf of any magisterial district or group of magisterial districts therein; any municipal corporation, by and through its council or other governing body in lieu thereof; or any school district, or any independent school district, by and through its board of education or other fiscal body in lieu thereof, may, in the manner and subject to the limitations and conditions contained in this article, issue and sell its bonds for the purpose of refunding the bonds of such political division which have become or are becoming due and payable and for the discharge of which there are or will be when the bonds mature no funds or insufficient funds available; or when, in the opinion of the governing body of the political division obligated to the payment of such bonds, the rate of levy necessary to provide funds for their discharge will impose excessive taxes upon the taxpayers of such political division; or for the purpose of providing for the payment of outstanding bonds in advance of the maturity or redemption thereof through the making of a deposit as provided in section four of this article; or for the purpose of rendering outstanding bonds not due when such outstanding bonds are to be presented for payment before maturity by the exercise of option provisions or by agreement with the holders thereof. Such refunding bonds may be issued bearing the same or a higher or lesser rate of interest than the bonds to be refunded. Except to the extent that additional taxes for such purpose have been approved by the voters and the levy of such additional taxes provided for in the manner stipulated in sections seven through fourteen of article one of this chapter, no such refunding bonds shall be issued bearing a higher rate of interest than the bonds being refunded or shall be issued in a principal amount exceeding the principal amount of the bonds to be refunded unless the amount of debt service payable on such refunding bonds in each year is equal to or less than the amount of taxes expected to be available therefor as shall be certified by the chairman of the West Virginia municipal bond commission prior to the issuance of such refunding bonds. The amount of taxes expected to be available in each year for purposes of this section shall be based upon the rates

of levy stipulated in the order directing the election at which the issuance of the bonds being refunded was approved by the voters and upon the most recent assessed valuation of the affected property prior to such election. In the event only a portion of the bonds provided for such order are being refunded or have been issued, an appropriate reduction shall be made in the amount of taxes expected to be available based upon the actual debt service requirements of bonds which have been issued but are not being refunded and the estimated debt service requirements of bonds which have not been issued.

Acts 1925, c. 46, § 1; Acts 1984, c. 25.

Library References

Key Numbers

Counties ⇐175.
Municipal Corporations ⇐913.
Schools ⇐97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

In general 2
Bonds increasing total indebtedness 4
Construction and application 1
Interest rate 6
Mandamus 7
Nature and effect of refunding bonds 3
Winkler decision 5

1. Construction and application

Refunding Bond Act is designed to provide some flexibility as to issuance of refunding bonds with regard to interest, maturity schedules, and sales at discount, as long as the refunding bond plan does not exceed basic constraints of original bonds approved by the voters. Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(9)

2. In general

Fact that school board's refunding bond plan proposed a maturity schedule which was two years longer than maturity schedule of outstanding original bonds, and fact that annual debt service between the two schedules was somewhat different did not make the plan improper, since refunding bond's maturity schedule was still within 20-year schedule authorized by voters on original bond issue, and since annual debt service on refunding bonds remained within amount of annual tax levy. Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(7)

Section of the Refunding Bond Act containing limitation that debt service on refunding bonds must be within confines of original tax levy authorized by voters, and requiring this fact to be certified by chairman of the Bond Commission prior to issuing refunding bonds with a higher interest rate than original bonds, places a limitation on refunding bond interest and debt service, but does not preclude utilization of each current year's property valuation to set amount of that year's levy rate. Code, 13–2–1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(9)

3. Nature and effect of refunding bonds

Refunding bonds generally do not constitute new indebtedness, because they provide method of refinancing earlier bond issue at lower interest rate. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. Municipal Corporations ⇐ 913

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13–1–19, 13–2–1 to 13–2–9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(1)

County court's issuance of refunding bonds to retire existing road bonds of magisterial district does not create "new indebtedness," and levies to provide debt service for refunding bonds may be laid as if they were original bonds. Code 1931, 13–2–1 et seq. Keeney v. Kanawha County Court, 1934, 175 S.E. 60, 115 W.Va. 243. Counties ⇐ 192

4. Bonds increasing total indebtedness

Maturity schedule and interest rates proposed for refunding bonds cannot increase total indebtedness from that originally authorized by the voters. Const. Art. 10, §§ 8, 10; Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(3)

Rule that refunding bonds do not create a new debt, and therefore, may be issued without voter approval under State Constitution, is subject to certain qualifications, including that amount of refunding bonds cannot increase total indebtedness authorized by voters on the original bond issue. Code, 13–2–1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(4)

Once voters have approved of a certain level of bonded indebtedness, this amount cannot be increased through issuance of refunding bonds without further voter approval. Code, 13–2–1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(4)

5. Winkler decision

State School Building Authority was authorized to issue refunding bonds with respect to those bonds forming that part of bond issue deemed unconstitutional in Winkler v. State School Building Authority issued prior to date of such opinion; bonds issued prior to date of opinion were not invalid under principle of retroactivity, and refunding of such bonds to replace them at lower interest rate did not create new debt. Const. Art. 10, § 4. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 148

School building capital improvements fund was available to fund bonds issued for purpose of refunding bonds issued by state School Building Authority (SBA) prior to promulgation of state Supreme Court's decision in Winkler v. State School Building Authority; previously granted authority to issue refunding bonds would have no practical effect absent source of funds from which to repay such bonds. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 152

State School Building Authority (SBA) was not permitted to issue bonds alleged to be refunding bonds for redemption of obligations created before Winkler v. State School Building Authority, which had practical effect of generating cash at closing in order to make immediately available to SBA anticipated debt service savings from so-called refunding bonds; rather, SBA's authority to issue refunding bonds to redeem pre-Winkler obligations was specifically limited to encompass only those bonds, proceeds of which SBA would use to discharge its preexisting obligations. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 148

6. Interest rate

State School Building Authority (SBA) was permitted to refund bonds other than those specifically designated for refunding in Winkler v. State School Building Authority, to receive greatest benefit from lower interest rates applicable to refunding bonds; bonds and their interest rates were affected by changing economic circumstances beyond control of SBA, and denial of authority to refund pre-Winkler bonds different from those specified in such decision would render SBA unable to realize the value of redeeming earlier bonds at lower interest rates and effectively abrogate SBA's capacity to refund any of its pre-Winkler bonds. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 148

Fact that under financing plan involving school board refunding bonds, refunding bonds would bear interest rates higher than interest rate on original bonds did not render them invalid, where bonds would be liquidated within the original 20-year period and taxpayers would save over $4 million. Const. Art. 10, §§ 8, 10; Code, 13–2–1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(7)

7. Mandamus

In a mandamus proceeding to compel a county court, which has issued, sold, and delivered to purchasers refunding bonds under the provisions of chapter 46, Acts 1925, to cancel all its refunding orders, recall the bonds and cancel them, on the ground that they are invalid as having been issued under an unconstitutional act, and as creating a debt without the sanction of the voters as provided by the Constitution, this court will not consider and pass upon the constitutionality of the statute nor upon the validity of the bonds, unless the bondholders are made parties or have their day in court. State ex rel. Hall, v. County Court of Mercer County, 1925, 129 S.E. 712, 100 W.Va. 11. Mandamus ⇐ 151(1)

§ 13–2–2. Terms of refunding bonds; time, place and amount of payments

Upon determining to issue such refunding bonds, the governing body of such political division shall, by resolution, authorize the issuance of such bonds in an

amount not exceeding the principal amount permitted by section one of this article, fix the date thereof, the rate or rates of interest which such bonds shall bear, payable semiannually, and require that the bonds shall bear, payable at the office of the state treasurer and at such other place or places as the body issuing the same may designate. Such resolution shall also provide that such bonds shall mature serially in annual installments beginning not more than three years after the date thereof, and the last of such annual installments shall mature in not exceeding thirty-four years from the date of such bonds. The amount payable in each year on the refunding bonds, together with any unrefunded or unissued bonds of the prior issue, may be so fixed that, when the amount of interest is added to the principal amount to be paid during the respective years, the total amount payable in each year shall be as nearly equal as practicable; or such bonds may be made payable in annual installments as nearly equal in principal as may be practicable.

All or a portion of the refunding bonds may be subject to redemption prior to the maturity thereof, at the option of the body issuing the same, at such times and prices and on such terms as shall be designated in the resolution required by this section. The body issuing the refunding bonds may not levy taxes in connection with the redemption of any refunding bonds in excess of the taxes that would have been levied for the payment of principal of and interest on such refunding bonds in such year.

Acts 1925, c. 46, § 2; Acts 1984, c. 25; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⇐183(2).
Municipal Corporations ⇐922.
Schools ⇐97(6).
Westlaw Key Number Searches: 104k183(2); 268k922; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

Conformance with terms of initial bond issuance 4
Interest rates 6
Mandamus 9
Maturity date 5
Nature and effect of refunding bonds 1
Partial issuance of original bonds 2
Partial refunding 3
Sale at discount 8
Term of bonds 7

1. Nature and effect of refunding bonds

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(1)

Rule that refunding bonds do not create a new debt, and therefore, may be issued without voter approval under State Constitution, is subject to certain qualifications, including that amount of refunding bonds cannot increase total indebtedness authorized by voters on the original bond issue. Code, 13-2-1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(4)

2. Partial issuance of original bonds

Where school board presents a financing plan that includes refunding bonds and an additional amount of unissued original bonds, aggregate of the principal and interest payments made on original bonds prior to their refunding, when

added to amounts to be paid on refunding bonds and any outstanding original bonds that are issued but not refunded, cannot exceed original indebtedness authorized by the voters. Code, 13–2–1 to 13–2–9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(3)

3. Partial refunding

Section of Refunding Bond Act providing that in event only a portion of bonds provided for, in order directing election at which issuance of bonds being refunded was approved, are being refunded or have been issued, an appropriate reduction shall be made in the amount of taxes expected to be available, is applicable to those situations where the refunding bond plan leaves a debt service which, when combined with any original bonds that will not be refunded, is below the levy originally authorized by the voters, and thus, did not apply to school board's refunding plan, which was constructed to utilize all annual tax revenues during maturity schedule of the bonds. Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 103(1)

4. Conformance with terms of initial bond issuance

Fact that school board's bond refunding plan was premised upon maintaining level debt service rather than level principal payments, which was basis for original bonds, was not objectionable, where there was no increase in tax levy rate contemplated. Code, 13–2–2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(9)

Refunding Bond Act gives bond-issuing authorities option of structuring their refunding bond plan to maintain either level debt service or level principal payments, and where level debt service is chosen, then the test is that the total amount payable in each year should be nearly equal as practicable. Code, 13–2–2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(9)

Reduction in debt service for first and last years of school board's bond refunding plan were not consequential enough to constitute a violation of the "nearly equal as practicable" language in section of the Refunding Bond Act providing that amount payable in each year on refunding bonds, together with any unrefunded or unissued bonds of the prior issue, may be so fixed that, when amount of interest is added to principal amount to be paid during respective years, total amount payable in each year shall be as nearly equal as practicable, where present refunding bond plan was within limits of the original voter mandate. Code, 13–2–2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(9)

Once voters have approved of a certain level of bonded indebtedness, this amount cannot be increased through issuance of refunding bonds without further voter approval. Code, 13–2–1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(4)

As long as school board's refunding bond plan fell within total obligation authorized by voters pursuant to approval of original bond issue, it does not require voter approval or impinge upon mandate of the voters. Code, 13–2–1 to 13–2–9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(4)

Section of the Refunding Bond Act containing limitation that debt service on refunding bonds must be within confines of original tax levy authorized by voters, and requiring this fact to be certified by chairman of the Bond Commission prior to issuing refunding bonds with a higher interest rate than original bonds, places a limitation on refunding bond interest and debt service, but does not preclude utilization of each current year's property valuation to set amount of that year's levy rate. Code, 13–2–1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(9)

5. Maturity date

Maturity schedule and interest rates proposed for refunding bonds cannot increase total indebtedness from that originally authorized by the voters. Const. Art. 10, §§ 8, 10; Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(3)

Fact that school board's refunding bond plan proposed a maturity schedule which was two years longer than maturity schedule of outstanding original bonds, and fact that annual debt service between the two schedules was somewhat different did not make the plan improper, since refunding bond's maturity schedule was still within 20-year schedule authorized by voters on original bond issue, and since annual debt service on refunding bonds remained within amount of annual tax levy. Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(7)

6. Interest rates

Fact that under financing plan involving school board refunding bonds, refunding bonds would bear interest rates higher than interest rate on original bonds did not render them invalid, where bonds would be liquidated within the original 20-year period and taxpayers would save over $4 million. Const. Art. 10, §§ 8, 10; Code, 13–2–1. Board of Educ. of Hancock

Note 6

County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(7)

7. Term of bonds

Refunding bonds ordinarily may not be liquidated over a period longer than authorized for the original bond issue. Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(9)

8. Sale at discount

Discount sale of a refunding bond is not prohibited under the Refunding Bond Act. Code, 13–2–1 to 13–2–9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(5)

9. Mandamus

Once it is determined that a bond issue authorized by a governmental agency is lawful, mandamus will lie to compel secretary of the agency or other ministerial official responsible for executing the necessary documents to execute such documents. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Mandamus ⇦ 103

§ 13–2–3. Certain provisions of article one to apply to refunding bonds

All the provisions of sections seventeen, eighteen, nineteen and twenty of article one of this chapter, relating to bonds issued for original indebtedness, shall apply to the same extent and with equal force and effect to refunding bonds issued under the provisions of this article.

Library References

Key Numbers

Counties ⇦175.
Municipal Corporations ⇦913.
Schools ⇦97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

In general 1
Registration of bonds 2

1. In general

Refunding Bond Act gives bond-issuing authorities option of structuring their refunding bond plan to maintain either level debt service or level principal payments, and where level debt service is chosen, then the test is that the total amount payable in each year should be nearly equal as practicable. Code, 13–2–2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(9)

2. Registration of bonds

Statutes authorizing a bond-issuing authority to have bonds payable at the office of the State Treasurer and at such other places that the bond-issuing authority may designate provides sufficient authority to permit bonds to be registered at place of payment. Code, 13–1–14, 13–2–2; 26 U.S.C.A. § 103(j). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⇦ 113

"Registration of a bond" means that it is payable to a designated person rather than payable generally to the bearer. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⇦ 113

§ 13–2–4. Disposition of bonds; cancellation of original bonds

The governing body of the political body of the political subdivision issuing bonds under this article may sell the same or any part thereof and collect the proceeds, or such bonds may be delivered to the holder or holders of the bonds to be refunded in exchange therefor.

It is the intention of this article to authorize political divisions to issue bonds for the purpose of refunding outstanding bonds without thereby contracting any additional indebtedness, and it shall be conditional upon the delivery of any refunding bonds that the bonds to be refunded be canceled and paid simulta-

neously with the issuance and delivery of such refunding bonds: Provided, That such refunding bonds shall be issued in an amount sufficient to effect the refunding and may include an amount sufficient to pay (1) the principal amount outstanding of the bonds to be refunded, (2) interest accrued or to accrue to the date of maturity or the date of redemption of the bonds to be refunded (which need not necessarily be on the first available redemption date), (3) any redemption premiums to be paid thereon, (4) any reasonable expenses incurred in connection with such refunding and (5) any other reasonable costs deemed appropriate by the state, including without limitation, the expenses of preparing and delivering the refunding bonds, legal fees, financial advisor fees, consultant fees, and other expenses incurred in connection with the issuance, sale and delivery of the refunding bonds.

For all purposes of this section, bonds shall be considered to have been canceled and paid in advance of their due date or date of redemption if there shall have been deposited with the West Virginia municipal bond commission either:

(a) Moneys, sufficient to pay when and as due at maturity or prior redemption all amounts of principal, redemption premium, if any, and interest payable on such bonds; or

(b) Direct obligations of the United State of America or the state of West Virginia, or obligations fully and irrevocably secured as to the payment of both principal and interest by such direct obligations, the payment on which when due will provide moneys, sufficient to pay when and as due at maturity or prior redemption all amounts of principal, redemption premium, if any, and interest payable on such bonds.

All such amounts shall be set aside and held in trust and irrevocably dedicated solely to the payment of such bonds, except that amount in excess of the amounts required for the payment of the bonds so refunded may be applied to the payment of costs related to the issuance, carrying, insuring or servicing the refunding bonds, including costs of credit or market enhancement services, such as letters of credit, remarketing arrangements and similar services. Any amount deposited pursuant to this section may include amounts already held on deposit by the West Virginia municipal bond commission for the payment of the bonds to be refunded.

Acts 1925, c. 46, § 7; Acts 1937, c. 118; Acts 1984, c. 25; Acts 1994, c. 13.

Library References

Key Numbers

Counties ⇐175.
Municipal Corporations ⇐913.
Schools ⇐97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

Unissued original bonds 1
Use of excess funds 2

1. Unissued original bonds

Where school board presents a financing plan that includes refunding bonds and an additional amount of unissued original bonds, aggregate of the principal and interest payments made on original bonds prior to their refunding, when added to amounts to be paid on refunding bonds and any outstanding original bonds that are issued but not refunded, cannot exceed original indebtedness authorized by the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(3)

Where a bond-issuing authority has been unable to market all of its original bond issue and is unable to complete the project financed by the bond issue, it may utilize for the project any unencumbered funds in its account with the Bond Commission as a part of a refunding bond plan to complete the original project. Code, 13-3-9(c). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 92(1)

2. Use of excess funds

Statute authorizing transfer of funds remaining from liquidation of school bonds to school current fund does not preclude use of excess money from an escrow fund established with the Bond Commission and derived from sale of refunding bonds under the Bond Refunding Act, as long as the board complies with subsection of the Act enabling bond-issuing authority to withdraw excess funds held by the Bond Commission that are not needed to liquidate original bond issue; such funds can be spent on school improvements when they are made a part of a refunding bond plan for school improvements, and it is only when last bond has been retired that any excess funds then remaining are turned back to the school board to the credit of its school current fund. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(5)

School board's plan to spend some excess money from sale of refunding bonds on school improvements was not improper. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(5)

School board's plan to spend some excess money from sale of refunding bonds on school improvements was not improper. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(5)

Section of Bond Refunding Act providing that money received from sale of refunding bonds shall be set aside and held in trust and irrevocably dedicated solely to payment of such bonds, except that excess of amounts required for payment of bonds so refunded may be applied to payment of costs, was intended to enable school board to spend any excess money on expenses directly resulting from issuance of the refunding bonds, but does not foreclose the school board from utilizing any excess money for real purpose of the project for which bonds were issued, which was for school building improvements. Code, 13-2-4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇦ 97(5)

§ 13-2-5. Article sufficient authority for issuing refunding bonds

This article shall, without reference to any other act of the legislature, be full authority for the issuance, sale and exchange of bonds in this article authorized. No order, ordinance, resolution or proceeding in respect to the issuance of any bonds hereunder shall be necessary except such as are required by this article. No publication of any notice, order, ordinance or proceeding relating to the issuance of such bonds shall be necessary.

Acts 1925, c. 46, § 8.

Library References

Key Numbers

Counties ⇦175.
Municipal Corporations ⇦913.
Schools ⇦97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

§ 13–2–6. Issuance without election or notice

The issuance and sale of exchange bonds in this article authorized may be had without an election or publication of any notice.

Acts 1925, c. 46, § 9; Acts 1937, c. 118.

Library References

Key Numbers

Counties ⇐178.
Municipal Corporations ⇐918.
Schools ⇐97(4).
Westlaw Key Number Searches: 104k178; 268k918; 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1664, 1672.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

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1. In general

As long as school board's refunding bond plan fell within total obligation authorized by voters pursuant to approval of original bond issue, it does not require voter approval or impinge upon mandate of the voters. Code, 13–2–1 to 13–2–9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(4)

§ 13–2–7. Invalidity of part of article not to affect other parts

If any clause, sentence, paragraph or part of this article shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of the article, but shall be confined in its application to the clause, sentence, paragraph or part thereof directly involved in the controversy in which such judgment has been rendered.

Acts 1925, c. 46, § 10.

§ 13–2–8. Bonds exempt from taxation

All bonds of the State of West Virginia or of any political subdivision thereof issued hereunder shall be exempt from all taxation by the State or by any political subdivision thereof.

Cross References

Bond issues for original indebtedness, bonds exempt from taxation, see § 13–1–33.

Library References

Key Numbers

Taxation ⇐218.
Westlaw Key Number Search: 371k218.

Encyclopedias

C.J.S. Taxation § 260.

§ 13–2–9. Funding of orders, drafts or warrants by county courts and boards of education at rate lower than six percent

County courts and boards of education may, upon the application of the owner or holder or holders, by an order entered of record, fund any indebtedness represented by orders, drafts, or warrants by taking up one or more of such orders, drafts, or warrants issued on the same fund, and issue in lieu thereof new orders, drafts or warrants to the person or persons entitled to

receive the sums of money due upon said orders, drafts, or warrants, and in which orders there shall be set out in detail the number of each order, draft, or warrant, the date thereof, to whom issued, the fund or funds on which drawn, the name of the present holder thereof, or the person or persons entitled to receive the sum due thereon, if interest-bearing the date from which interest began, the credits, if any endorsed thereon, and the date thereof, and such other information so as to completely identify the orders, drafts or warrants for which new orders, drafts or warrants are issued: Provided, however, That no power or authority herein given or contained shall be construed to make legal and binding any order, draft or warrant not legal and/or binding when originally ordered and/or issued by any county court or board of education. The court and/or boards shall, when the orders, drafts or warrants are interest-bearing, in issuing such new orders, drafts or warrants, issue them on the same fund upon which the original order, draft or warrant was issued and for the aggregate amount of unpaid principal and interest to that date, and cancel all such orders, drafts or warrants funded and file the same with the clerk of the county court of their county for preservation. All such new orders, drafts or warrants shall not become interest-bearing until the same shall have been presented to the sheriff for payment and endorsed as provided by law, and when so presented shall draw interest at five and one-half percent per annum.

Acts 1933, c. 43, § 1.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers
Counties ⚿164.
Westlaw Key Number Search: 104k164.

Encyclopedias
C.J.S. Counties § 208.

MONONGALIA COUNTY BOARD OF EDUCATION
ORDER DIRECTING ELECTION

AN ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA DIRECTING THAT A SPECIAL ELECTION BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF MONONGALIA COUNTY SCHOOL DISTRICT ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF FIFTY MILLION DOLLARS ($50,000,000) FOR LAND ACQUISITION, SCHOOL AND OTHER CONSTRUCTION, RENOVATION AND IMPROVEMENTS IN MONONGALIA COUNTY SCHOOL DISTRICT

BE IT ORDERED AND ENTERED OF RECORD BY THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA:

It appears to The Board of Education of the County of Monongalia (herein called the "Board") and the Board does accordingly hereby find:

1. Insufficient, obsolete and inefficient school buildings and related facilities, in Monongalia County School District (the "District") which generally result in insufficient and ineffective space, excessive maintenance costs and lack of efficiency are conditions which now exist and are adversely affecting proper and adequate education of students in the District to prepare them for gainful employment or further education, and those conditions, together with due regard for proper health and safety standards make it necessary that the Board acquire, prepare or improve the sites therefor

and construct, improve, expand, renovate, repair, furnish and equip certain school and other facilities, all as shown below; and such conditions and requirements have been found and are hereby determined to exist, pursuant to investigation caused to be made by this Board. The funds derived from current levies applicable to the acquisition and construction of such new facilities which this body is now authorized by law to lay, after providing for the administration of the affairs of this Board and meeting the current expenses thereof required by law, are insufficient to finance such acquisition and construction and, therefore, Bonds should be issued to provide funds to pay such costs.

2. Funds should be obtained for the purposes mentioned above and described below and it will be necessary to incur debt and issue Bonds for the acquisition, preparation or improvement of sites, for acquisition, construction and equipping of certain new school and other facilities and for construction, expansion, improvement, renovation, repair, furnishing and equipping of certain existing school facilities (collectively, the "Project"), to pay interest during construction of the Project and for up to six months thereafter and to pay costs of issuance of the Bonds, all as more fully hereinafter described. Investigation and studies by this Board show that at least the sum of **$65,585,000** must be spent for such purposes, **$50,000,000** of which would be provided from proceeds of the hereinafter-described Bonds, and **$15,585,000** of which would be provided from a grant or grants from the School Building Authority

of West Virginia (the "SBA") a portion of which **($3,585,000)** has been committed and the remainder of which **($12,000,000)** is expected to be committed in December, 2003, all to the end of providing adequate, safe and convenient school and other facilities in the District to meet and improve the educational needs and opportunities of the students in the District.

3. The valuation of the taxable property in the District, as shown by the last assessment thereof for state and county taxation purposes, is **$2,550,659,127**, and the valuation of each class of property within the District is as follows:

Class I	**$ 3,250,888**
Class II	**942,539,985**
Class III	**1,064,613,532**
Class IV	**540,254,722**
TOTAL	**$2,550,659,127**

4. There is general obligation bonded indebtedness for school purposes in the District outstanding in the principal amount of **$7,457,108**. Other than such general obligation debt, the indebtedness of the District is negligible and can be paid from current levy funds. Accordingly, Bonds in the aggregate amount of **$50,000,000**, which together with the principal amount of all bonds outstanding, is less than **5%** of the value of such taxable property as ascertained by the last assessment thereof for state

and county taxes, may be issued for the purposes herein provided without exceeding any constitutional or statutory limitation.

5. Bonds in the principal amount of **$5,000** each, or integral multiples thereof, aggregating **$50,000,000**, shall be issued and sold, in whole, or from time to time in part, as the Board may in its discretion, deem proper, advisable and in the best interests of the inhabitants of the District, the proceeds of which sale shall be used for the Project, provided, however, that the Board, in its discretion, may allocate and expend for any one or more of the facilities constituting the Project, or for additions, renovations or improvements to existing school facilities in the District, any sum remaining unused upon completion of any of such facilities, whether any such sum remains unused upon completion by reason of lower than estimated costs for such facility or facilities or a grant-in-aid upon the cost of such facility or facilities received by the Board from the State or Federal Government, or any State or Federal governmental agency, or from any other source; and provided, further, that in the event that any part of the bond proceeds should not be needed for completion of the Project, or for additions, renovations or improvements to existing school facilities in the District, 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 the 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, provided that, 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 may be reimbursed from levy moneys collected.

The Bonds shall not be issued or sold unless the District receives a written commitment (which may be subject to certain conditions) of the SBA to provide a grant or grants to the District for such Project in the amount of not less than **$12,000,000**, which, together with the **$3,585,000** previously committed by the SBA, will provide total grant funds to the District of **$15,585,000**.

6. The Bonds shall bear interest at a rate or rates not exceeding **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 lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable for a maximum term of **29** years from the date thereof.

7. It is further hereby ordered by the Board of Education of the County of Monongalia that:

(A) The question of incurring said debt and issuing said Bonds and all other questions properly connected therewith shall be submitted to the voters of

Monongalia County School District at a special school bond election to be held in the District on **Saturday, October 4, 2003**.

(B) The names of the Commissioners for holding said election shall be as follows (provided that if any such Commissioners are unavailable or otherwise unable to serve, substitutes will be appointed):

Jean Friend
Bader Giggenbach
Stephen Higgins

(C) The registration of voters and the use of the registration books shall be governed by the permanent registration laws of the State of West Virginia and the Board hereby adopts the registration lists of the County of Monongalia as the official registration lists of the District for such school bond election.

(D) The purposes or projects for which the proceeds of sale of the Bonds, **($50,000,000)**, if authorized by the voters and grants from the School Building Authority of West Virginia **($15,585,000)** are to be expended are as follows:

NEW SCHOOLS

	PROJECT	LOCATION	ESTIMATED COST BOND PROCEEDS	ESTIMATED COST SBA GRANT
1.	UNIVERSITY HIGH SCHOOL* Acquisition of site and construction of a new high school to replace existing University High School, to serve approximately 1,500 students	Baker's Ridge Road, approximately one-half mile west of the intersection of U.S. Rt. 119 and Baker's Ridge Road	$18,500,000	$12,000,000 (not yet committed)
2.	WESTWOOD ELEMENTARY SCHOOL Construction of a new elementary school to serve approximately 500 students	Adjacent to Westwood Middle School, along River Road	$6,057,500	$3,585,000 (committed)
3.	CASS ELEMENTARY SCHOOL Acquisition of site and construction of a new elementary school to serve approximately 500 students	At Chaplin Hill, near entrance to Mylan Park	$9,642,500	$-0-

IMPROVEMENTS TO EXISTING SCHOOLS

	PROJECT	LOCATION	ESTIMATED COST BOND PROCEEDS	ESTIMATED COST SBA GRANT
1.	MASON-DIXON ELEMENTARY SCHOOL Construction of additions and renovations to Mason-Dixon School, including classroom additions, restrooms, and expansion of cafeteria and interior renovations	Existing Mason-Dixon Elementary School	$1,300,000	$-0-
2.	CLAY-BATTELLE MIDDLE/SENIOR HIGH SCHOOL Construction of additions and renovations to create a separated middle and high school, including classrooms, a distant learning center, gymnasium, locker rooms, cafeteria, kitchen, auditorium HVAC and fire sprinkler renovations and site improvements.	Existing Clay-Battelle High School	$9,000,000	$-0-

	PROJECT	LOCATION	ESTIMATED COST BOND PROCEEDS	ESTIMATED COST SBA GRANT
3.	MORGANTOWN HIGH SCHOOL Construction of additions and improvements to Morgantown High School, including media center, administrative facilities, HVAC and fire sprinkler renovations.	Existing Morgantown High School	$5,000,000	$-0-
4.	REMAINING SCHOOLS Renovation of entrances to comply with Safe Schools Act	Existing Monongalia County Schools	$500,000	$-0-
TOTALS			$50,000,000	$15,585,000

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$50,000,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA GRANTS	**$15,585,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$65,585,000**

* The Bonds will not be issued or sold unless the District receives a written commitment (which may be subject to certain conditions) of the School Building Authority of West Virginia to provide a grant or grants to the District for such project in the amount of not less than $12,000,000.

The above amounts include costs of land acquisition, site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such

projects, architectural and engineering fees and costs, interest during construction of the Project and for a period of up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance and rating agency fees, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects, or for additions, renovations, or improvements to existing school facilities in the District, any sum remaining unused upon completion of any other project or projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant-in-aid upon the cost of any such project or projects received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

(E) If the voters of the District approve such debt and the issuance of said Bonds, the Board shall lay annually upon the assessed valuation of all the taxable property within the District a levy sufficient to provide funds for the payment of the annual interest upon said Bonds as it accrues semiannually, and the principal of said Bonds at the maturities thereof, for which purpose 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 **5.20** cents

Upon Class II property, approximately **10.40** cents

Upon Class III property, approximately **20.80** cents

Upon Class IV property, approximately **20.80** cents

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

(G) If the debt and the Bond issue shall be approved by the voters, the Bonds, together with all existing bonded indebtedness, including any other bonds heretofore issued and payable from taxes levied outside the limitations fixed by Section 1, Article X of said Constitution, will not exceed in the aggregate 5% of the valuation of the taxable property in the District ascertained in accordance with Sections 8 and 10, Article X of said Constitution, and such Bonds and the interest

thereon will be payable from a direct annual tax levied and collected each year, on all taxable property in the District, sufficient to pay the principal and interest maturing and becoming due on such Bonds in each year together with any deficiencies for prior years, within, and not exceeding 34 years, which tax levies will be laid separate and apart from, and in addition to, the maximum rates provided for tax levies for school districts on the several classes of property in Section 1, Article X of said Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax will be levied outside the limits fixed by Section 1, Article X of said Constitution.

(H) If the debt and Bond issue submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment," and Section 10, Article X of the Constitution, known as the "Better Schools Amendment," and the enabling legislation enacted by the Legislature of West Virginia, Regular Session, 1951, amending and re-enacting Sections 3 and 4, Article 1, Chapter 13 of the Code of West Virginia, 1931, the 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 purpose 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 District, and the Board does further find that after

laying and allocating said special levies for payment of the principal and interest requirements of said Bonds, there will be, out of the levies authorized by law, moneys which, when added to other income, will be sufficient to carry on the proper requisite functions of the Board and of the District.

(I) The form of ballot to be used for such school bond election shall be as follows:

OFFICIAL BALLOT

BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA

SPECIAL SCHOOL BOND ELECTION

SATURDAY, OCTOBER 4, 2003

Shall the Board of Education of the County of Monongalia incur debt and issue Bonds in the amount of **$50,000,000**, maturities on such Bonds to run not more than 29 years from the date of such Bonds, with interest not exceeding the rate of **6.50%** per annum, payable semi-annually, for the purpose of making the following improvements in Monongalia County School District for the purpose of providing adequate, safe and convenient educational facilities for the School District and levy taxes sufficient to pay the principal of and interest on such Bonds?

NEW SCHOOLS

	PROJECT	LOCATION	ESTIMATED COST BOND PROCEEDS	ESTIMATED COST SBA GRANT
1.	UNIVERSITY HIGH SCHOOL* Acquisition of site and construction of a new high school to replace existing University High School, to serve approximately 1,500 students	Baker's Ridge Road, approximately one-half mile west of the intersection of U.S. Rt. 119 and Baker's Ridge Road	$18,500,000	$12,000,000 (not yet committed)

2.	WESTWOOD ELEMENTARY SCHOOL Construction of a new elementary school to serve approximately 500 students	Adjacent to Westwood Middle School, along River Road	$6,057,500	$3,585,000 (committed)
3.	CASS ELEMENTARY SCHOOL Acquisition of site and construction of a new elementary school to serve approximately 500 students	At Chaplin Hill, near entrance to Mylan Park	$9,642,500	$-0-

IMPROVEMENTS TO EXISTING SCHOOLS

			ESTIMATED COST	
	PROJECT	**LOCATION**	**BOND PROCEEDS**	**SBA GRANT**
1.	MASON-DIXON ELEMENTARY SCHOOL Construction of additions and renovations to Mason-Dixon School, including classroom additions, restrooms, and expansion of cafeteria and interior renovations	Existing Mason-Dixon Elementary School	$1,300,000	$-0-

	PROJECT	LOCATION	ESTIMATED COST BOND PROCEEDS	ESTIMATED COST SBA GRANT
2.	CLAY-BATTELLE MIDDLE/SENIOR HIGH SCHOOL Construction of additions and renovations to create a separated middle and high school, including classrooms, a distant learning center, gymnasium, locker rooms, cafeteria, kitchen, auditorium HVAC and fire sprinkler renovations, and site improvements.	Existing Clay-Battelle High School	$9,000,000	$-0-
3.	MORGANTOWN HIGH SCHOOL Construction of additions and improvements to Morgantown High School, including media center, administrative facilities, HVAC and fire sprinkler renovations.	Existing Morgantown High School	$5,000,000	$-0-
4.	REMAINING SCHOOLS Renovation of entrances to comply with Safe Schools Act	Existing Monongalia County Schools	$500,000	$-0-
TOTALS			**$50,000,000**	**$15,585,000**

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$50,000,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA GRANTS	**$15,585,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$65,585,000**

* The Bonds will not be issued or sold unless the District receives a written commitment (which may be subject to certain conditions) of the School Building Authority of West Virginia to provide a grant or grants to the District for such project in the amount of not less than $12,000,000.

The above amounts include costs of land acquisition, site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural and engineering fees and costs, interest during construction of the Project and for up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance and rating agency fees, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects or for additions, renovations or improvements to existing school facilities in the District any sum remaining unused upon completion of any other project or projects, or for additions, renovations or improvements to existing school facilities in the District whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant-in-aid upon the cost of any such project or projects received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

☐ YES

☐ NO

NOTICE TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the box before the word "YES".

To vote against the proposition, place a similar mark in the box before the word "NO".

* * * * * * * * * * *

8. The Secretary of the Board with the assistance of the Clerk of the County Commission of Monongalia County, which Clerk is hereby designated and appointed as an agent of the Board for this election, is 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 supplies and things necessary for conducting the election as provided by West Virginia Code, Chapter 13, Article 1, Section 11, and perform all duties imposed by law upon Clerks of the Circuit Court and County Commission in relation to general elections insofar as practicable; and, in accordance with Section 13, Article 1 of said Chapter 13, the Board shall canvass the election returns, and shall meet on Friday, **October 10, 2003**, that being the 5th day, Sunday excepted, after such school bond election for such purposes.

9. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the Circuit Court of the County of Monongalia in accordance with the provisions of West Virginia Code, Chapter 13, Article 1, Section 11 and said Clerk is hereby appointed the agent of the Board to perform all duties relating to absentee ballots in this election.

10. Notice of the special school bond election hereby ordered shall be given, as required by law, by the publication of this order within the 14 consecutive days next preceding the date of the election, with an interval of at least 6 full days between the first and second publications, once a week for 2 successive weeks in the *Dominion*

Post and *The Charleston Gazette*, being two qualified newspapers of opposite politics published or of general circulation in the District, the publication dates to be **Thursday, September 25** and **Thursday, October 2, 2003** .

Given under my hand this 14th day of July, 2003.

By: Nancy A Walker
President of The Board of Education of the
County of Monongalia

CERTIFICATE

Certified a true and correct copy of the Order Directing Election, made and entered of record by The Board of Education of the County of Monongalia at a regular meeting thereof duly and properly called and held upon lawful notice to the public and all members thereof on the 14th day of July, 2003, at Morgantown, Monongalia County, West Virginia, a quorum of said members being present at said meeting and acting throughout the same. Such order is in full force and effect.

Given under my hand this May 26, 2004.

By: _____
Superintendent and Secretary of The Board
of Education of the County of Monongalia

07/11/03
613760/00005

CL860417.3

THE
BOARD OF EDUCATION
OF THE
COUNTY OF MONONGALIA
RESOLUTION AND ORDER DIRECTING ISSUANCE OF BONDS

WHEREAS, The Board of Education of the County of Monongalia (the "Issuer"), has heretofore, on July 14, 2003, made and entered of record an Order Directing Election (the "Order") upon the question of authorizing bonds in the amount of Fifty Million Dollars ($50,000,000) to be issued and sold for the purpose of providing funds for making certain improvements in Monongalia County School District (the "District");

WHEREAS, in pursuance of said order, an election was held on October 4, 2003, 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 Issuer and The County Commission of Monongalia County, sitting jointly as a canvassing board, on October 14,2003, and as certified on October 17, 2003, was Eight Thousand One Hundred Twenty-seven (8,127) votes for and Two Thousand Nine Hundred Seventy-three (2,973) votes against the issuance of said bonds; so that more than 50% of the voters, to wit, 73.22% voting upon said proposition at said election, voted for the issuance of said bonds;

WHEREAS, in the Order and the ballot provided to the voters of Monongalia County, it was stated that the Bonds would not be issued or sold unless the District received a written commitment (which may be subject to certain conditions) of the School Building Authority of West Virginia to provide a grant or grants to the District for such project in the amount of not less than $12,000,000;

WHEREAS, on December 16, 2003, the District received a written commitment of a grant or grants to the District for such Project in the amount of $12,000,000; and

WHEREAS, based upon such grant commitment and a previous grant commitment from the School Building Authority of West Virginia, dated February 14, 2002 (reduced from $5,095,360 to $3,585,000 as a result of passage of the bond proposal), 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 MONONGALIA AS FOLLOWS:

1. Bonds in the aggregate principal amount of $50,000,000 (the "Bonds"), shall be issued and sold in denominations of $5,000 or integral multiples thereof, the proceeds of which sale shall be used for the purposes hereinafter set forth, the sale of such Bonds to be made in whole, or from time to time in part, as the Issuer may in its discretion, deem proper, advisable and in the best interests of the residents of the District. Upon completion of the Project and payment of all costs thereof 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 one-half per centum (6.50%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which will result in somewhat lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable annually in the principal amounts and shall mature on May 1 in the years as follows:

Principal Amount	Maturity (May 1)	Principal Amount	Maturity (May 1)
$ 905,000	2006	$1,710,000	2020
945,000	2007	1,790,000	2021
990,000	2008	1,870,000	2022
1,035,000	2009	1,960,000	2023
1,085,000	2010	2,050,000	2024
1,135,000	2011	2,145,000	2025
1,190,000	2012	2,245,000	2026
1,245,000	2013	2,350,000	2027
1,300,000	2014	2,460,000	2028
1,360,000	2015	2,575,000	2029
1,425,000	2016	2,690,000	2030
1,490,000	2017	2,820,000	2031
1,560,000	2018	2,950,000	2032
1,635,000	2019	3,085,000	2033
		$50,000,000	

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 West Virginia Municipal Bond Commission (the "Paying Agent"), as the West Virginia State Treasurer's designated paying agent, and 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 their respective maturities.

4. The Bonds shall be issued under the 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 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, Fifty Million Dollars ($50,000,000), 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 Bond, 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 registrar for the Bonds to be set forth and designated in 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 wire or 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, 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 Bond Resolution and Order. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled 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 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 find 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.

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

12. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 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 or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) in excess of 5% of the principal or 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 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.

13. The Issuer shall assure that not in excess of 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.

14. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

15. 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.

16. 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 Internal Revenue Code of 1986, as amended, or any successor provision, and the applicable regulations thereunder (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.

17. 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.

18. The Issuer hereby approves the Tax and Non-Arbitrage Certificate to be dated that date of delivery of the Bonds, in substantially the form presented to this meeting, and the President of the Issuer is hereby authorized and directed to execute such certificate with such changes, insertions and deletions as shall be approved by the President.

19. The Issuer hereby covenants to take all actions necessary to comply with SEC Rule 15c2-12 and to deliver a continuing disclosure agreement or similar document to the successful bidder or bidders for the Bonds.

20. The Bonds may, at the option of the Issuer, be insured by a policy of municipal bond insurance or other surety guarantying the payment of the principal of and interest on the Bonds.

21. The Secretary of the Issuer shall transmit to the Attorney General of the State of West Virginia a duly certified copy of all orders, resolutions, proclamations, notices, advertisements, affidavits and records of all proceedings connected with or pertaining to this Bond issue, and any and all other matters relative thereto which the Attorney General may require, as provided by Section 25, Article 1, Chapter 13 of the Code of West Virginia.

22. The Bonds hereby authorized shall be advertised for sale to the public on sealed bids, in the manner set forth in Chapter 13, Article 1, Section 21 of the West Virginia Code of 1931, as amended, at such time or times as shall be determined by the Board. The Issuer may issue the Bonds in one or more series and may reject any and all bids.

23. All officers, members and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause valid Bonds to be issued as authorized by the voters of the District at the election held on October 4,2003, 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, to execute such additional documents and do such further acts as may legally be required by any individual or corporate purchaser of the Bonds hereby authorized or any of them.

24. This resolution and order shall be effective immediately upon its adoption and entry of record.

Adopted and entered of record this February 24, 2004.

By: Nancy A. Walker
President of the Board of Education of
The County of Monongalia

CERTIFICATE

Certified a true and correct copy of the Resolution and Order Directing Issuance of Bonds, adopted and entered of record by The Board of Education of the County of Monongalia at a meeting thereof duly and regularly called and held upon lawful notice to all members thereof on February 24, 2004, at the City of Morgantown, Monongalia County, West Virginia, a quorum of said members being present at said meeting and acting throughout the same. Such resolution and order is in full force and effect.

Given under my hand this May 26, 2004.

By: _____
Secretary of The Board of Education of The County of Monongalia

EXHIBIT A

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2004

No. _____ $_____

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
_____%	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1 in each year, beginning _____ 1, 20__, (each an "Interest Payment Date"), until maturity. The Treasurer of the State of West Virginia has designated _____, _____, West Virginia, as its agent to act

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

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

This Bond is one of a series of bonds of the Issuer designated as "Public School Bonds, Series 2004" (the "Bonds"), issued by the Issuer in the aggregate principal amount of _____ Dollars ($_____). 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 Directing Issuance of Bonds as supplemented and amended (the "Order") duly adopted by the Issuer, for the purpose of providing funds for the acquisition, construction and equipping of public school facilities, together with all necessary appurtenances, in Monongalia 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 denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner thereof (whether or not this

Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the Registered Owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Issuer upon the Bond as paid.

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

[The Bonds maturing on _____ 1, 20__ and thereafter are subject to redemption at the option of the Issuer prior to their respective dates of maturity on or after_____, 20__, in whole at any time or in part on any interest payment date, in any order of maturity selected by the Issuer, and by lot within a maturity, at a redemption price equal to ____% of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.]

[The Bonds maturing on _____ 1, 20__, ___1, 20__ and ____1, 20__ shall be subject to mandatory annual sinking fund redemption of principal on ___1 of the years and in the amounts set forth below, without premium, plus interest accrued to the date fixed for redemption:]

Term Bonds Due _____ 1, 20____

Year	Principal Amount

[Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Issuer, to the registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice

of redemption having been given in the manner described herein, and moneys necessary for the redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds shall cease to bear interest.]

[The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by _____.]

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 Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

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

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

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

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

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

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of _____, 2004.

THE BOARD OF EDUCATION OF THE
COUNTY OF MONONGALIA

(SEAL)

By: _____
Its President

By: _____
Its Secretary

REGISTRAR'S 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 Directing Issuance of Bonds, 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 Steptoe & Johnson PLLC, 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 of said Series.

Dated: _____.

_____, as Registrar

By: _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be provided by Bond Insurer]

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 West Virginia Code of 1931, as amended; that notice of my approval hereof was published as required by Section 25 of said Chapter 13, Article 1; that 10 days have elapsed since the date of the last publication of such notice; that there has been no appeal from my decision 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 Monongalia a corporation, the authority issuing the same, and upon the taxable property within Monongalia 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 _____, 2004.

By: _____
Attorney General of the State of
West Virginia

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.

02/24/04
613760/00005

$50,000,000
THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA
(WEST VIRGINIA)
Public School Bonds, Series 2004

SUPPLEMENTAL RESOLUTION

WHEREAS, The Board of Education of the County of Monongalia, West Virginia (the "Issuer"), did, on February 24, 2004, adopt and enter of record a Resolution and 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;

WHEREAS, pursuant to the Resolution and applicable law, the Issuer has duly and properly advertised the Bonds for sale upon sealed proposals to be received by the Issuer until 12:00 Noon, on the date hereof, being May 12, 2004;

WHEREAS, all proposals received have been reviewed by representatives of the Issuer and Ferris, Baker Watts, Incorporated, the Issuer's Financial Advisor, and the highest responsive bidder (lowest interest cost) has been determined; and

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 thereto;

NOW THEREFORE, BE IT RESOLVED AND ORDERED by The Board of Education of the County of Monongalia , West Virginia, as follows:

1. The Bonds shall be sold to Merrill Lynch & Company, being the highest responsive bidder (lowest interest cost) thereon.

CERTIFICATE OF THE BOARD OF EDUCATION OF THE COUNTY OF MONONGALIA [WEST VIRGINIA] RE SURPLUS ACCOUNT FUNDS

I, Barbara L. Parsons, President of the Board of Education of the County of Monongalia (West Virginia) (the "Issuer"), in connection with the issuance of the Issuer's $42,615,000 Public School Refunding Bonds, Series 2012 and the release by the West Virginia Municipal Bond Commission (the "Bond Commission") of approximately $2,519,361.53 (in the aggregate) from surplus funds of the Issuer on deposit with the Bond Commission in connection with the Issuer's $50,000,000 Public School Bonds, Series 2004 (the "Prior Bonds") being refunded this date, hereby certify, upon consultation with certain of the Issuer's employees including the Superintendent of Schools and the Treasurer of the School District, that the Project intended to be funded from the proceeds of the Prior Bonds ("2004 Projects") remains to be undertaken and/or completed at a cost in excess of the sums being released by the Commission and that such released sums will be used only in connection with such Project, it being one of the 2004 Projects authorized to be funded from the proceeds of the Prior Bonds.

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Dated this 10th day of July, 2012 at Morgantown, West Virginia.

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

By: Barbara L. Parsons
Barbara L. Parsons, President

PiperJaffray. **Memo**

*** CLOSING MEMORANDUM***

To: Distribution List

From: Marie Prezioso
Joe Nassif

Office: Charleston

Re: $42,615,000
The Board of Education of the County of Monongalia(West Virginia), Public School Refunding Bonds, Series 2012

Date: July 5, 2012

CLOSING DATE, TIME & LOCATION: Tuesday, July10, 2012
10:00 a.m. Eastern Time
By Telephone

CLOSING DTC FAST

SOURCES AND USES OF SERIES 2012 BONDS

SOURCES OF FUNDS:

Principal Amount	$42,615,000.00
Plus Net Original Issue Premium	4,806,597.10
Total	**$47,421,597.10**

USES OF FUNDS:

Deposit to Escrow	$47,107,495.10
Underwriter's Discount	226,767.50
Estimated Costs of Issuance	87,334.50
Total	**$47,421,597.10**

PiperJaffray. **Memo**

TRANSFER OF FUNDS

1. On the morning of closing, July 10, 2012, Piper Jaffray shall initiate two electronic transfers as follows:

   a. **$47,107,495.10**
   BB&T WV
   250 East Second Avenue
   Williamson, WV 25661
   ABA #: 051503394
   Account: 5270517317
   Account Name: State of West Virginia
   Ref: Municipal Bond Commission (contact Boardman 558-3971)
   Bank Contact: Michael Holtsclow 304.348.7078

   b. **$87,334.50**
   United Bank
   Morgantown, WV
   ABA #:051900395
   Acct #: 0010133976
   Ref: Monongalia County Board of Education
   Bank Contact: Brandon Holben (304)-581-6024

   The two wires total $47,194,829.60

2. Credit Suisse will deliver the following securities for the escrow to the MBC for payment.

Type of Security	Maturity Date	CUSIP	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
TNote	10/31/2012	912828PD6	657,000	0.375%	0.083344%	100.089516	657,588.12	475.34	658,063.46
TNote	4/30/2013	912828QE3	1,904,000	0.625%	0.205980%	100.337684	1,910,429.50	2,295.92	1,912,725.42
TNote	10/31/2013	912828JQ4	632,000	2.750%	0.260534%	103.246038	652,514.96	3,353.21	655,868.17
TNote	4/30/2014	912828KN9	42,500,000	1.875%	0.272126%	102.887278	43,727,093.15	153,744.90	43,880,838.05
			45,693,000				46,947,625.73	159,869.37	47,107,495.10

3. The Board shall use the funds received to pay issuance costs upon proper invoice. Said costs are estimated as follows:

Bond Counsel	$25,000.00
Underwriter's Counsel	30,000.00
O.S. Printing/Distribution	2,000.00
Registrar/CDA	650.00
Paying Agent/Trustee	2,400.00
Rating (S&P)	21,000.00
CUSIP	500.00
Verification Agent	3,500.00
Miscellaneous	2,284.50
TOTAL	$87,334.50

PiperJaffray. Memo

MISCELLANEOUS

Upon confirmation that the electronic transfer has been received and that other required activities have been completed, Bowles Rice, United Bank and Piper Jaffray will authorize the release and distribution of the Bonds.

Because of the redelivery requirements of the Depository Trust Company, it is imperative that the above activities be completed no later than 12:30 p.m. Eastern Time on July 10, 2012.

SERIES 2012 BONDS
MATURITIES, AMOUNTS, RATES, YIELDS, PRICES AND CUSIPS

Maturity Date	Principal Amount ($)	Interest Rate (%)	Yield (%)	Price	CUSIPS
5/1/2013	1,695,000	4.00	0.43	102.877	610219 CM7
5/1/2014	1,400,000	4.00	0.61	106.086	610219 CN5
5/1/2015	1,455,000	4.00	0.82	108.809	610219 CP0
5/1/2016	1,510,000	4.00	1.00	111.181	610219 CQ8
5/1/2017	1,565,000	4.00	1.26	112.743	610219 CR6
5/1/2018	1,620,000	5.00	1.57	118.967	610219 CS4
5/1/2019	695,000	1.75	1.83	99.489	610219 CT2
5/1/2019	1,000,000	4.00	1.83	113.829	610219 DH7
5/1/2020	1,745,000	5.00	2.07	121.022	610219 CU9
5/1/2021	1,825,000	3.00	2.27	105.796	610219 CV7
5/1/2022	1,870,000	3.00	2.41	105.124	610219 CW5
5/1/2023	1,925,000	5.00	2.63*	120.368	610219 CX3
5/1/2024	2,010,000	5.00	2.82*	118.562	610219 CY1
5/1/2025	2,105,000	4.00	3.15*	107.120	610219 CZ8
5/1/2026	2,180,000	4.00	3.30*	105.821	610219 DA2
5/1/2027	2,260,000	4.25	3.36*	107.380	610219 DB0
5/1/2028	2,350,000	4.375	3.43*	107.810	610219 DC8
5/1/2029	2,445,000	5.00	3.26*	114.502	610219 DD6
5/1/2030	2,555,000	5.00	3.33*	113.871	610219 DE4
5/1/2031	2,675,000	5.00	3.40*	113.245	610219 DF1
5/1/2032	2,800,000	5.00	3.46*	112.711	610219 DJ3
5/1/2033	2,930,000	5.00	3.53*	112.092	610219 DG9

*Priced to the first optional redemption date of May 1, 2022.