

The Board of Education of Putnam County, West Virginia
Public School Bonds, Series 2010
Distribution List

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\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS,
SERIES 2010

Date of Closing: March 24, 2010

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The closing of the sale of \$56,750,000 in aggregate principal amount of the Board of Education of the County of Putnam Public School Bonds, Series 2010 will take place at the offices of Goodwin & Goodwin, LLP, 300 Summers Street, Suite 1500, Charleston, West Virginia, at 10:00 a.m., Eastern Time, on March 24, 2010. No transaction shall be deemed to have been completed and no documents shall be deemed to have been delivered unless and until all transactions are complete and all documents are delivered. Any document which references an Exhibit or Schedule to be attached thereto shall be considered completed and attached if the referenced Exhibit or Schedule appears elsewhere in this Transcript.

NOTICE OF BOND ELECTION

AUGUST 29, 2009

TO THE VOTERS OF

PUTNAM COUNTY BOARD OF EDUCATION SCHOOL DISTRICT,
STATE OF WEST VIRGINIA

Take notice that the following order was made and entered of record at a regular meeting of the Board of Education of the County of Putnam, a statutory corporation, functioning pursuant to the laws of the State of West Virginia, held on the 8th day of June, 2009, a quorum being present and acting throughout said meeting:

AN ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

**DIRECTING AN ELECTION TO BE HELD FOR THE PURPOSE OF
SUBMITTING TO THE VOTERS OF PUTNAM COUNTY SCHOOL DISTRICT
ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT
AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF
FIFTY-SIX MILLION SEVEN HUNDRED FIFTY THOUSAND AND 00/100
DOLLARS
(\$56,750,000.00)**

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

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

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

3. To obtain the necessary funds for the projects hereinafter described, it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, improvement, equipping

and furnishing of such projects. Studies by the Board show that the School District must spend at least the sum of Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00) for such purposes, which would come from the proceeds of the sale of the Bonds and other sources, all for the general purpose of providing adequate, safe and convenient educational facilities for the School District.

4. The valuation of the taxable property in the School District, as shown by the last assessment thereof for State and County taxation purposes, is \$2,650,501,495, and valuation of each class of property within the School District is as follows:

Class I	\$	0
Class II		1,262,149,765
Class III		1,222,671,569
Class IV		<u>165,680,161</u>
Total		\$2,650,501,495

5. The Board and the School District do not have any outstanding bonded indebtedness. The only indebtedness of the School District is for current expenses and can be paid from current levy funds. The maximum bonded indebtedness the Board may incur is five percent (5%) of the total amount shown above or \$132,525,075. Accordingly, Bonds in the amount of \$56,750,000.00, being less than five percent (5%) of the value of such taxable property as ascertained by the last assessment thereof for State and County taxes, may be issued and sold without violating any constitutional or statutory provision.

6. Bonds in the denomination of \$5,000 each, or integral multiples thereof, aggregating \$56,750,000, should be issued and sold, the proceeds of which shall be used for the projects hereinafter described; provided, however, that in the event that any part of the Bond proceeds should not be needed for completion of the projects, such unneeded part shall be deposited with the Municipal Bond Commission of West Virginia to be used solely for the purchase of any Bonds of this issue outstanding at not more than the par value thereof plus accrued interest to date of purchase or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified; and, provided, further, the Board shall have the authority to pay matured interest and the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the Bond proceeds expended for this purpose shall be reimbursed from levy money collected.

7. The question of incurring said debt, issuing said Bonds, and all other questions properly connected therewith shall be submitted to the voters of the School District at a special election to be held on the 29th day of August, 2009, and the commissioners and clerks for holding said election, at each of the legally established voting precincts in Putnam County, shall be those commissioners and clerks designated, appointed and certified by The County Commission of Putnam County, West Virginia in connection with said election.

8. The Bonds shall bear interest at a rate or rates not exceeding the rate of six and 75/100 percent (6.75%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which might result in somewhat lower levy rates needed to

pay the Bonds and the interest thereon); and the Bonds shall be payable for a maximum term of fifteen (15) years and six (6) months from their date of issuance.

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

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

Projects	Locations	Costs
<p>Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.</p>	Current Winfield Middle School Property	SBA Grant Funds \$21,745,736
<p>Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.</p>	Current Winfield Elementary School Property	Bond Funds \$788,265
<p>Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.</p>	Current Poca Middle/Elementary School Property	Bond Funds \$21,587,255
<p>Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.</p>	Property currently owned by the Board of Education in the Town of Buffalo	Bond Funds \$20,583,810
<p>Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room,</p>	Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.	Bond Funds \$ 8,825,470

kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.

Hurricane High Auxiliary Gymnasium	Current Hurricane High School Property	Bond Funds
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.		\$ 1,542,840
Winfield High Auxiliary Gymnasium	Current Winfield High School Property	Bond Funds
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.		\$ 1,542,840
Poca High Auxiliary Gymnasium	Current Poca High School Property	Bond Funds
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.		\$ 1,879,520
Total Bond Costs		\$56,750,000

The above amounts consist of an aggregate of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000.00) of bond proceeds. In addition, the Board has obtained grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Twenty-one Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$21,745,736.00), to be received in two (2) installments, being Eleven Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$11,745,736.00) in fiscal year 2010 and Ten Million and 00/100 Dollars (\$10,000,000.00) in fiscal year 2011. The total amounts to be expended by the Board from all sources will be Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00).

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

11. If the voters of the School District approve the incurring of said debt and the issuance of said Bonds, the Board will lay annually, upon the assessed valuation of all the taxable property within the School District, a levy sufficient to provide funds for the payment of the annual interest

upon the Bonds as such interest accrues semiannually and the principal of the Bonds at maturity, for which purposes a levy upon each \$100 valuation, based upon the last assessment of such property for State and County purposes, will be required as follows:

Upon Class I Property approximately	0.00 cents
Upon Class II Property approximately	16.70 cents
Upon Class III Property approximately	33.40 cents
Upon Class IV Property approximately	33.40 cents

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

13. If the debt represented by this Bond issue shall be approved by the voters, such Bonds, together with any other bonded indebtedness incurred under Section 1, Article X, of the Constitution, will not exceed in the aggregate five percent (5%) of the taxable property in the School District ascertained in accordance with Sections 8 and 10, Article X, of the Constitution of this State and will be payable from a direct annual tax levied and collected in each year on all taxable property in said School District, sufficient to pay the principal and interest maturing on said Bonds in each year, which maximum rates are provided for tax levies for school districts on the several classes of property in Section 1, Article X of the Constitution, but in the same proportions as such maximum rates are levied outside the limits fixed by Section 1, Article X of the Constitution.

14. If the debt and Bonds submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment", and the enabling legislation enacted by the Legislature of West Virginia Regular Session, 1951, amending and reenacting Sections 3 and 4, Article 1, Chapter 13 of the Code, and the enabling legislation enacted by the Legislature of West Virginia, Regular Session, 1959, amending and reenacting Section 4 and adding Section 34, Article 1, Chapter 13 of the Code, levies hereinbefore provided will not violate any constitutional or statutory provisions of this State establishing maximum levies, said levies herein provided shall be levied and allocated each year for the purposes of discharging the interest and principal of the Bonds to be authorized, and for such purposes shall be laid separate and apart from all other levies made for all other purposes of the School District, and the Board does further find that after laying and allocating said special levies for payment of principal and interest requirements of said Bonds, there will be, out of the levies authorized by law and apportioned for current expenses, a sufficient levy authorized by law which, when added to other income, will be sufficient to carry out the proper requisite functions of said Board and of said School District.

BE IT FURTHER ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM AS FOLLOWS:

After careful study and due deliberation, the Board finds that available funds are insufficient for the payment of general current expenses and for correcting deficiencies in school building facilities. Wherefore, the Board orders the submission to the voters of Putnam County, at a special election to be held on Saturday, August 29, 2009, the question of whether the Board should incur debt and issue Bonds in the sum of \$56,750,000.00 for the purposes set forth in this order.

1. The schedule of commissioners, clerks and poll workers which are designated, appointed and certified for the purpose of a special, primary or general election shall be the same commissioners, clerks and poll workers which are designated, appointed and certified by The County Commission of Putnam County, West Virginia, in connection with the special election to be held on Saturday, August 29, 2009. Such commissioners, clerks and poll workers shall be identified in an Amended Order to be approved by the Board when their names become available.

2. Notice of this question shall be given by publication of this order at least once each week for two (2) successive weeks before the election and within fourteen (14) consecutive days next preceding the election in the *Metro Putnam* and *Hurricane Breeze*, which are newspapers of general circulation in the School District.

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

OFFICIAL BALLOT
 PUTNAM COUNTY BOARD OF EDUCATION
 SCHOOL BOND ELECTION
 SATURDAY, AUGUST 29, 2009

“Shall the Board of Education of the County of Putnam incur debt and issue bonds in the amount of \$56,750,000.00, maturities on such bonds to run not more than fifteen (15) years and six (6) months from the date of such bonds, with interest not exceeding the rate of six and 75/100 percent (6.75%) per annum, payable semiannually, subject to redemption prior to maturity, in whole or in part, on terms established by the Board, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing, equipping, consolidating and/or relocating of the projects described below, all for the general purpose of providing adequate, safe and convenient facilities for the Putnam County School District:

Projects	Locations	Costs
Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.	Current Winfield Middle School Property	SBA Grant Funds \$21,745,736
Winfield Elementary School Construct a new gymnasium, including storage,	Current Winfield Elementary School Property	Bond Funds \$788,265

containing approximately 3,800 square feet.

<p>Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.</p>	<p>Current Poca Middle/Elementary School Property</p>	<p>Bond Funds \$21,587,255</p>
<p>Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.</p>	<p>Property currently owned by the Board of Education in the Town of Buffalo</p>	<p>Bond Funds \$20,583,810</p>
<p>Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.</p>	<p>Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.</p>	<p>Bond Funds \$ 8,825,470</p>
<p>Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	<p>Current Hurricane High School Property</p>	<p>Bond Funds \$ 1,542,840</p>
<p>Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	<p>Current Winfield High School Property</p>	<p>Bond Funds \$1,542,840</p>
<p>Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.</p>	<p>Current Poca High School Property</p>	<p>Bond Funds \$ 1,879,520</p>
<p>Total Bond Costs</p>		<p>\$56,750,000</p>

The above amounts consist of an aggregate of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000.00) of bond proceeds. In addition, the Board has obtained grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Twenty-one Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$21,745,736.00), to be received in two (2) installments, being Eleven Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$11,745,736.00) in fiscal year 2010 and Ten Million and 00/100 Dollars (\$10,000,000.00) in fiscal year 2011. The total amounts to be expended by the

Board from all sources will be Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00).

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

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

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

INSTRUCTIONS TO VOTERS:

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

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

FOR THE PROPOSITION

AGAINST THE PROPOSITION

4. The Secretary of the Board with the assistance of the Clerk of the County Commission, which Clerk is hereby designated and appointed as agent of this Board for this election, are hereby authorized and directed to procure and furnish to the election commissioners at each voting precinct, insofar as practicable, the ballots, poll books, tally sheets and other things necessary for conducting the election, as provided by Chapter 13, Article 1, Section 11 of the Code, and perform all duties

imposed by law upon Clerk of the County Commission in relation to special, primary and general elections, and in accordance with Chapter 13, Article 1, Section 13 of the Code.

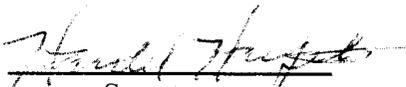
5. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the County Commission of the County of Putnam, and said Clerk is hereby appointed the agent for the Board to perform all duties relating to absentee ballots in a special, primary or general election.

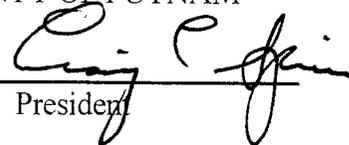
6. The registration of voters and the use of the registration booths shall be governed by the permanent registration law of the State, and the Board hereby adopts the registration list of Putnam County as the official registration list of the School District for this election.

Adopted on the 8th day of June, 2009.

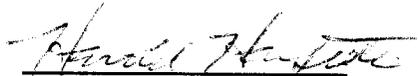
THE BOARD OF EDUCATION OF THE
COUNTY OF PUTNAM

ATTEST:


Secretary

By: 
President

Given under my hand this 8th day of June, 2009.


Secretary of the Board of
Education of the County of Putnam

BOARD OF CANVASSERS' CERTIFICATE OF VOTES CAST
FOR THE SCHOOL BOND AT THE AUGUST 29, 2009, SPECIAL ELECTION

Office of County Commission

September 9, 2009

Putnam County, West Virginia

To: Putnam County Board of Education

We, the Board of Canvassers of the County of Putnam, State of West Virginia, having carefully and impartially examined the returns of the election in said county, in each district thereof, on the 4th day of September, 2009, do certify that the results of the election in said county, are as follows:

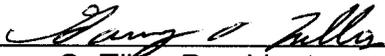
Special Election, August 29, 2009, School Bond

"For" the bond Five Thousand One Hundred Sixty-Nine (5,169) votes

"Against" the bond Four Thousand Forty-Seven (4,047) votes

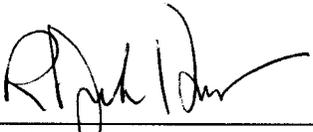
Given under our hands this 9th day of September, 2009.

BOARD OF CANVASSERS:



Gary O. Tillis, President

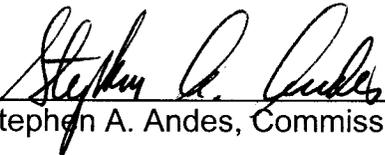
Dr. Craig C. Spicer, Board President



R. Joseph Haynes, Commissioner



William Legg, Vice President

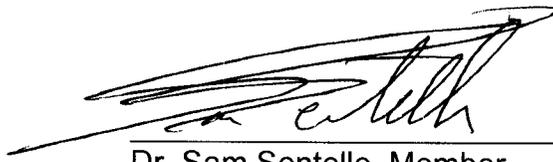


Stephen A. Andes, Commissioner



Jack Coyner, Member

Deborah F. Phillips, Member



Dr. Sam Sentelle, Member

DECLARATION OF RESULTS

OF AUGUST 29, 2009

SCHOOL BOND ELECTION

The Board of Canvassers of the County of Putnam, having carefully and impartially examined the returns of the election held in said county, in each district thereof, on the 29th day of August, 2009, does hereby DECLARE that the results of the election in said county were as follows:

FOR FIVE THOUSAND ONE HUNDRED SIXTY-NINE (5,169) **VOTES**

AGAINST FOUR THOUSAND FORTY-SEVEN (4,047) **VOTES**

Given under our hands this 4th day of September, 2009.

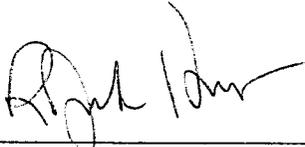
BOARD OF CANVASSERS

ABSENT

Gary O. Tillis, President

ABSENT

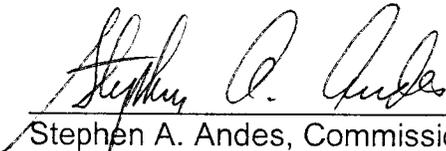
Dr. Craig C. Spicer, President



R. Joseph Haynes, Commissioner



William Legg, Vice President



Stephen A. Andes, Commissioner



Jack Coyner, Member

ABSENT

Deborah F. Phillips, Member



Dr. Sam Sentelle, Member

The Putnam County Commission and the Putnam County Board of Education, sitting as a Board of Canvassers, this 4th day of September, 2009, have completed the examination of the ballots, election materials and returns of the School Bond Election held on August 29, 2009, and do hereby DECLARE the results of said election.

It is hereby ordered that the Board of Canvassers recess until Wednesday, September 9, 2009, at 2:00 p.m., to certify said election.

ENTER this 4th day of September, 2009.

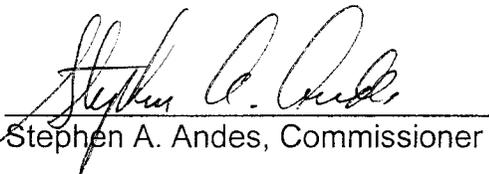
BOARD OF CANVASSERS

ABSENT

Gary O. Tillis, President



R. Joseph Haynes, Commissioner



Stephen A. Andes, Commissioner

ABSENT

Dr. Craig C. Spicer, Board President



William Legg, Vice President



Jack Coyner, Member

ABSENT

Deborah F. Phillips, Member



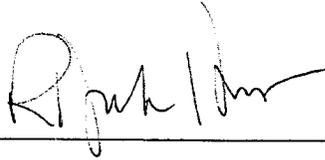
Dr. Sam Sentelle, Member

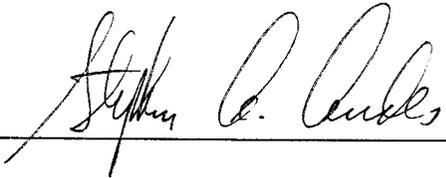
TALLY SHEET
PROVISIONAL BALLOTS COUNTED
DURING THE CANVASS OF THE
AUGUST 29, 2009, SCHOOL BOND ELECTION

“FOR” _____ **TWENTY-EIGHT** _____ **VOTES**

“AGAINST” _____ **EIGHTEEN** _____ **VOTES**

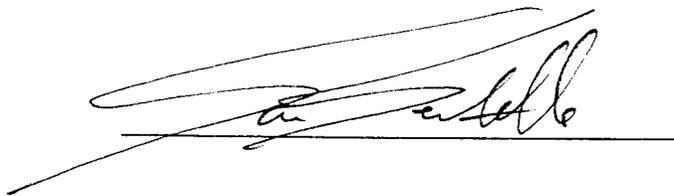
BOARD OF CANVASSERS











The Putnam County Commission and the Putnam County Board of Education, sitting as a Board of Canvassers, this 9th day of September, 2009, does hereby certify the election results of the August 29, 2009, School Bond Election, and does hereby ADJOURN as said Board.

ENTER this 9th day of September, 2009.

BOARD OF CANVASSERS



Gary O. Tillis, President

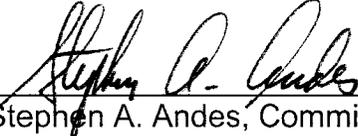
Dr. Craig C. Spicer, Board President



R. Joseph Haynes, Commissioner



William Legg, Vice President

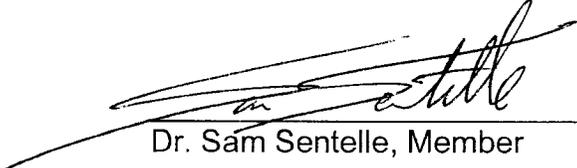


Stephen A. Andes, Commissioner



Jack Coyner, Member

Deborah F. Phillips, Member



Dr. Sam Sentelle, Member

DECLARATION OF OFFICIAL INTENT TO ISSUE SCHOOL BONDS

DECLARATION STATING THE REASONABLE EXPECTATION OF THE PUTNAM COUNTY BOARD OF EDUCATION TO REIMBURSE THE PROJECT CONSTRUCTION FUND FOR CAPITAL EXPENDITURES IN CONNECTION WITH THE DESIGN, ACQUISITION, CONSTRUCTION, REHABILITATION, EQUIPPING OR IMPROVING OF PUBLIC SCHOOLS TO THE ISSUANCE OF THE BONDS BY THE BOARD.

WHEREAS, the Putnam County Board of Education (the "Board") of the State of West Virginia, is authorized by Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended (the "Act") to issue school bonds on behalf of the Board for the design, construction, rehabilitation, acquisition, repair, equipping or improving of public schools, as provided in the Act;

WHEREAS, the Board has the power to make contracts and to execute all instruments necessary or convenient to effectuate the intent of and to exercise the powers granted to it under the Act, and do all things necessary or convenient to carry out the powers given to it under the Act;

WHEREAS, the Board has a list of Projects (the "Project List") that consist of the construction, rehabilitation, acquisition, equipping or improving of certain public schools in the District and are identified as projects that will be issued after the Series 2009 Bonds are issued, as identified on the Project List. The Project List is attached as Exhibit A;

WHEREAS, in order to have the Projects deigned to begin construction at the beginning of the next construction season, the Board desires to authorize the design of certain Projects that immediately;

WHEREAS, the Board has found and determined that the design of the Projects is necessary and appropriate to best meet the educational needs of the individual students, the general school population and the communities served by public schools in Putnam County, West Virginia, and that each constitutes a "construction project" within the meaning of the Act;

WHEREAS, prior to obtaining financing through the issuance of its bonds which are expected to be issued prior to May 1, 2010 (the "Bonds"), the Board anticipates expending funds from the Project Construction Fund to pay preliminary costs and design costs of the Projects, all of which capital expenditures will initially be paid from the Project Construction Fund;

WHEREAS, the Board reasonably expects to reimburse the Project Construction Fund for such capital expenditures, which are estimated not to exceed \$1,500,000 from the proceeds of the sale of the Bonds;

NOW, THEREFORE BE IT DECLARED BY THE PUTNAM COUNTY BOARD OF EDUCATION, AS FOLLOWS:

{C1543462.1}

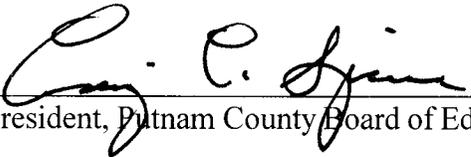
Section 1. The Board reasonably expects to reimburse the Project Construction Fund for capital expenditures made in connection with the Projects prior to the execution and delivery of the Bonds, from the proceeds of the Bonds, which are reasonably expected to be executed and delivered within eighteen months from the later of (i) the expenditure for payment of said costs or (ii) placing of the Projects in service.

Section 2. This Declaration is intended to constitute a “declaration of official intent” pursuant to Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended (the “Reimbursement Regulations”).

Section 3. The source of payment for such capital expenditures will be the Project Construction Fund and upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures will be applied for reimbursement from the Project Construction Fund.

Section 4. The maximum amount of such reimbursement is \$1,500,000, and the maximum principal amount of Bonds to be issued for the construction of the Projects is \$56,750,000.

Section 5. This Declaration shall become effective upon approval by the Board.



President, Putnam County Board of Education

October 6, 2009

Exhibit A

Project List

Winfield Elementary School

Poca Middle/Elementary School

Buffalo High School

Confidence Elementary School

Hurricane High Auxiliary Gymnasium

Winfield High Auxiliary Gymnasium

Poca High Auxiliary Gymnasium

PUTNAM COUNTY BOARD OF EDUCATION

RESOLUTION AND ORDER
DIRECTING ISSUANCE OF BONDS

WHEREAS, The Board of Education of the County of Putnam (the "Issuer"), has heretofore, on the 8th day of June, 2009, made and entered of record an order upon the question of authorizing bonds in the amount of Fifty-six Million Seven Hundred Fifty Thousand Dollars (\$56,750,000) to be issued and sold for the purpose of providing funds for making certain improvements in Putnam County School District (the "District");

WHEREAS, partially in pursuance of said order an election was held on the 29th day of August, 2009, at each of the legally established voting precincts in the District, for the purpose of ascertaining the will of the voters upon the question of whether or not said bonds should be issued. The result of said election, as shown by a canvass of the returns thereof made by The Board of Education of Putnam County, sitting as The Board of Canvassers of the County of Putnam on the 4th day of September, 2009, was five thousand one hundred sixty-nine (5,169) votes for and four thousand forty-seven (4,047) votes against the issuance of said bonds; so that more than fifty percent (50%) of the voters, to wit, fifty-six and 09/100 percent (56.09%), voting upon said proposition at said election, voted for the issuance of said bonds; and

WHEREAS, the Issuer has accordingly determined to proceed with the issuance of bonds as hereinafter provided.

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

1. Bonds in the aggregate principal amount of \$56,750,000 (the "Bonds") shall be issued and sold, in denominations of \$5,000 or integral multiples thereof, the proceeds of which sale shall be used for the purposes hereinafter set forth, the sale of such Bonds to be made in whole, or from time to time in part, as the Issuer may, in its discretion, deem proper, advisable and in the best interests of the inhabitants of the District. Upon completion of the Projects and payment therefor in full, any unused sum remaining from the sale of the Bonds shall be deposited with the West Virginia Municipal Bond Commission to be used for the purchase of any Bonds of this proposed issue outstanding at a price of not more than the par value thereof plus accrued interest to the date of such purchase or for the payment of the Bonds hereby authorized and the interest thereon at the maturities thereof.

2. The Bonds shall bear interest at a rate or rates not exceeding six and 75/100 percent (6.75%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which might result in somewhat lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable in the principal amounts and shall mature as follows:

Bonds in the amount of \$2,430,000 due and payable May 1, 2011;
Bonds in the amount of \$2,945,000 due and payable May 1, 2012;
Bonds in the amount of \$3,065,000 due and payable May 1, 2013;
Bonds in the amount of \$3,185,000 due and payable May 1, 2014;
Bonds in the amount of \$3,310,000 due and payable May 1, 2015;
Bonds in the amount of \$3,445,000 due and payable May 1, 2016;
Bonds in the amount of \$3,585,000 due and payable May 1, 2017;
Bonds in the amount of \$3,725,000 due and payable May 1, 2018;
Bonds in the amount of \$3,875,000 due and payable May 1, 2019;
Bonds in the amount of \$4,030,000 due and payable May 1, 2020;
Bonds in the amount of \$4,190,000 due and payable May 1, 2021;
Bonds in the amount of \$4,400,000 due and payable May 1, 2022;
Bonds in the amount of \$4,620,000 due and payable May 1, 2023;
Bonds in the amount of \$4,850,000 due and payable May 1, 2024; and
Bonds in the amount of \$5,095,000 due and payable May 1, 2025.

3. Both the Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the Municipal Bond Commission of West Virginia, Charleston, West Virginia (the "Paying Agent"). The Bonds shall be registered as to ownership and authenticated by a bank located in Charleston, West Virginia, to be designated by the State Treasurer of the State of West Virginia, as agent for the State of West Virginia. The Issuer shall annually, at the levy term thereof, make up and lay a levy upon all taxable property within the District sufficient to provide funds for paying the interest on the Bonds as the same accrues and becomes payable and the principal thereof at maturity.

4. The Bonds shall be issued under the five percent (5%) limitation of the Better Schools Amendment and will be payable from a direct annual tax on all taxable property in the District, in the ratio, as between the several classes or types of such taxable property specified in Section 1, Article X of the Constitution, separate and apart from and in addition to all other taxes for all other

purposes, sufficient to pay, annually, the interest of such debt and the principal thereof, within and not exceeding thirty-four (34) years, which may be levied outside the limits fixed by Section 1, Article X of the Constitution, and the Issuer covenants with the registered owners from time to time of the Bonds that the District shall include in its budget the amount of the debt service for each fiscal year of the District in which such sums are payable, shall appropriate such amount from its revenues for the payment of such debt service and shall duly and punctually pay or cause to be paid from its sinking fund or any other of its available revenues or funds the principal amount of each of the Bonds and the interest due thereupon at the date and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, subject to the limitations fixed by the District, shall and does pledge, irrevocably, its full faith, credit and taxing power.

5. It is hereby found and determined by the Issuer that the aggregate amount of such Bonds, to wit, Fifty-six Million Seven Hundred Fifty Thousand Dollars (\$56,750,000), together with all other bonds of the District currently outstanding, does not exceed or violate any provisions or limitations in any manner provided by the School Bond Amendment and the Better Schools Amendment.

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

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

8. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar.

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

Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

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

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

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

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

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

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

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

16. The Secretary of the Issuer has transmitted to the Attorney General of the State of West Virginia a duly certified copy of all orders, resolutions, proclamations, notices, advertisements, affidavits and records of all proceedings connected with or pertaining to this Bond issue, and any and all other matters relative thereto required by the Attorney General, as provided by Section 25, Article 1, Chapter 13 of the Code of West Virginia.

17. All officers, members and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause valid Bonds to be issued as authorized by the voters of the District at a special election held on the 29th day of August, 2009, pursuant to the calling thereof, and to do all things proper and necessary to obtain the approval and sale of said Bonds, and no further authority shall be necessary to authorize any such officers or

employees to give further assurance and do further acts as may legally be required by any individual or corporate purchaser of the Bonds hereby authorized or any of them.

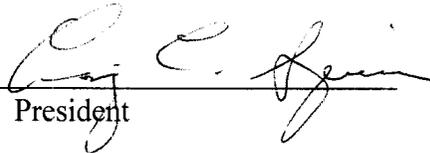
18. Before offering the Bonds hereby authorized for sale, they shall first be advertised as required by Section 21, Article 1, Chapter 13 of the Code of West Virginia, and the officers of the Issuer are hereby authorized to place such advertisement as required thereby.

19. The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Issuer, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption.

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

Adopted and entered of record this 15th day of February, 2010.

PUTNAM COUNTY BOARD OF EDUCATION

By: 
President

ATTEST:

By: 
Secretary

EXHIBIT A
FORM OF BOND

\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2010

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, Director of CITIGROUP GLOBAL MARKETS INC. (the "Purchaser"), and Dr. Craig Spicer, President, and Harold Hatfield, Secretary, of THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM (the "Issuer"), hereby certify as follows:

1. On the 24th day of March, 2010, in Charleston, West Virginia, the Purchaser received the entire original issue of \$56,750,000 in aggregate principal amount of The Board of Education of the County of Putnam Public School Bonds, Series 2010 (the "Bonds"). The Bonds, as so received on original issuance, are in various denominations, are dated March 24, 2010, and are numbered from R-1 to R-15, inclusive.

2. At the time of such receipt of the Bonds, all the Bonds had been executed by Dr. Craig Spicer and Harold Hatfield, President and Secretary, respectively, of the Issuer, by their respective facsimile signatures, and the official seal of the Issuer had been imprinted upon each Bond, and each Bond had been authenticated by United Bank, Inc., as Registrar.

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

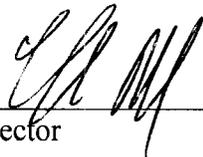
Total Bond Proceeds:

Purchase Price (100% of par)	\$56,750,000.00
Net Premium	<u>3,057,616.60</u>
TOTAL	\$59,807,616.60

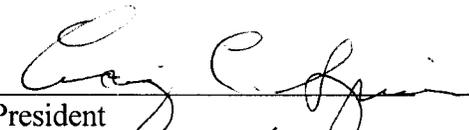
Payment for the Bonds was made in Federal Funds in the amount of \$58,672,616.60 on the date hereof, plus \$1,135,000.00 previously paid in the form of a good-faith deposit (total of \$59,807,616.60).

IN WITNESS WHEREOF, a Director of CITIGROUP GLOBAL MARKETS INC., duly signed and delivered this receipt on behalf of the Purchaser, and THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM has caused this receipt to be executed by its President and Secretary, as of this 24th day of March, 2010.

CITIGROUP GLOBAL MARKETS INC.

By: 
Director

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

By: 
President

By: 
Secretary

LAW OFFICES

GOODWIN & GOODWIN, LLP

300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678

P. O. BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107

TELEPHONE (304) 346-7000
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PARKERSBURG, WEST VIRGINIA 26101
(304) 485-2345

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

October 22, 2009

Dawn Warfield, Esq., Assistant Attorney General
West Virginia Attorney General's Office
State Capitol, Building 1, Room E-26
Charleston, WV 25305

Re: \$56,750,000 The Board of Education of the County of Putnam
Public School Bonds, Series 2010

Dear Dawn:

This correspondence and the enclosed information is sent to you as provided by statute in Chapter 13, Article 1, Section 25 of the Code of West Virginia of 1931, as amended. These materials pertain to the proposed issuance of public school bonds by the Putnam County Board of Education (the "Board").

The voters of Putnam County approved the issuance of \$56,750,000 of Public School Bonds at a special election held on August 29, 2009. We have enclosed for your review various materials relating to the issuance of such bonds and request your approval of the issuance of such bonds as required by the statute. The information included herein consists of the following:

- 1) A certified copy of a Bond Election Order of the Board submitting to the voters all questions connected with the issuance of the bonds, which Order was entered on June 8, 2009;
- 2) A certified copy of the minutes of the Board meeting held on June 8, 2009, approving the Order and submitting the question to the voters;
- 3) A certified copy of the minutes of the Board meeting held on July 6, 2009, approving the poll workers for the school bond election;

GOODWIN & GOODWIN, LLP

October 22, 2009

Page 2

4) Affidavits of Publication of the Notice of Bond Election and the form of the ballot advertised in local newspapers as required by statute;

5) A sample of the Official Ballot concerning the proposed issuance of school bonds;

6) A certified copy of the Board of Canvasser's Certificate of the Bond Election Results; and

7) A certified copy of a Certificate of Valuations issued by the Putnam County Assessor.

We respectfully request the Attorney General's approval of this bond issue at your convenience so that we can advertise such approval as required by statute. The Board would like to be in a position to issue the bonds at the optimal time from an interest rate perspective so that the taxpayers of Putnam County can enjoy the benefit of the lowest possible debt service on this bond issue.

If you find these materials to be in order, please have the enclosed Attorney General's Approval form signed. If you have any questions or concerns regarding any of those materials, please feel free to contact our office. We will do our best to answer your questions and address your concerns. We look forward to the Attorney General's favorable consideration of this matter and the delivery of such approval.

Sincerely yours,



William K. Bragg, Jr.

Enclosures

\$56,750,000

IN THE MATTER OF THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM,
STATE OF WEST VIRGINIA, PUBLIC SCHOOL BONDS,
SERIES 2010

ATTORNEY GENERAL'S APPROVAL

At the regular session of the Board of Education of the County of Putnam, State of West Virginia, held on the 8th day of June, 2009, an Order was entered of record authorizing a vote to be taken by the legal voters of the County of Putnam at the primary election to be held on the 29th day of August, 2009, upon all questions connected with the incurring of debt and issuing bonds in the aggregate principal amount Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000), and levying taxes to pay the interest on and the principal of said bonds, the proceeds from the sale of such bonds to be used for the following purposes:

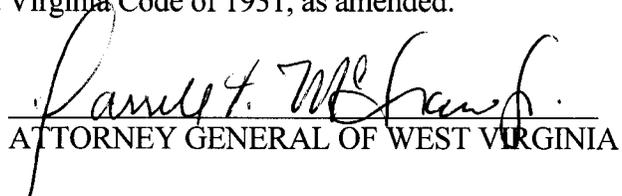
Projects	Locations	Costs
Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.	Current Winfield Middle School Property	SBA Grant Funds \$21,745,736
Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.	Current Winfield Elementary School Property	Bond Funds \$788,265
Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.	Current Poca Middle/Elementary School Property	Bond Funds \$21,587,255

Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.	Property currently owned by the Board of Education in the Town of Buffalo	Bond Funds \$20,583,810
Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.	Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.	Bond Funds \$ 8,825,470
Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Hurricane High School Property	Bond Funds \$ 1,542,840
Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Winfield High School Property	Bond Funds \$ 1,542,840
Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.	Current Poca High School Property	Bond Funds \$ 1,879,520
Total Bond Costs		\$56,750,000

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

It appears from the records so transmitted to me that on the proposition of incurring debt and issuing bonds, as provided in said order, five thousand one hundred sixty-nine (5,169) votes were cast for and four thousand forty-seven (4,047) votes were cast against the issuance of said bonds, so that fifty-six and 09/100 percent (56.09%) of the voters in said election voted in favor of incurring debt and issuing bonds as provided in said order.

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


ATTORNEY GENERAL OF WEST VIRGINIA

Charleston, West Virginia
November 13, 2009

COPY

LAW OFFICES

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December 2, 2009

Dawn E. Warfield, Esq., Deputy Attorney General
Attorney General's Office
State Capitol, Rm. 26, East Wing
Charleston, WV 25305 - 0220

Re: \$56,750,000 The Board of Education of the County of Putnam
Public School Bonds, Series 2010

Dear Dawn:

Enclosed please find the original Affidavits of Publication issued by *The Putnam Standard* and *The Hurricane Breeze* as evidence of the publication of the Attorney General's Approval of the sale of the above-referenced bonds. The Approvals were published on November 24 and December 1, 2009 in *The Putnam Standard* and on November 19 and November 26, 2009 in *The Hurricane Breeze*. After ten days have passed from the date of last publication, we will appreciate the delivery of your letter to the Clerk of the Supreme Court of Appeals requesting verification of the filing, if any, of an appeal to the issuance of these bonds. Please provide copies of your letter and the response letter from the Clerk's office to me for inclusion in our bond transcript.

Assuming no appeal is filed, I have prepared the Attorney General's Approval page to be included with each of the bonds. There will be 15 different maturities represented by 15 different bonds. I have enclosed 17 copies of the Approval page for execution, with the extra copies for use in the event of any spoilage during the printing process. If you find the Approval page to be in order, please have the Approval pages signed and returned to me.

Thank you for your assistance in this process.

Sincerely yours,



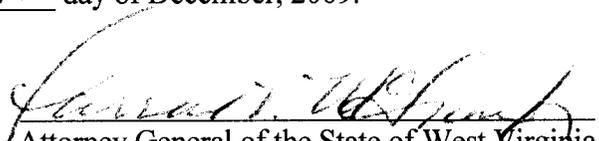
William K. Bragg, Jr.

Enclosures

ATTORNEY GENERAL'S APPROVAL

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

WITNESS my hand this the 17th day of December, 2009.



Attorney General of the State of West Virginia

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)

NO. R-1

\$2,785,000

INTEREST RATE
3.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2011

CUSIP
746690CC8

REGISTERED OWNER: CEDE & CO.

SPECIMEN
PRINCIPAL AMOUNT:

Two Million Seven Hundred Eighty-five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, Putnam County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the interest payment date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2010 (each an "Interest Payment Date"). The State Treasurer of the State of West Virginia has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2010" (the "Bonds"), issued by the Board in the aggregate principal amount of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000). The Bonds were authorized to be issued by a majority of voters at the special election held on August 29, 2009. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution

and Order (the "Resolution and Order") duly adopted by the Board on February 15, 2010, for the purpose of providing funds for the acquisition, construction, rehabilitation and renovation of various schools, with all necessary appurtenances, situated in Putnam County School District. The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

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

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

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

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

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

The Board and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

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

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

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

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Resolution and Order, and has caused this Bond to be dated as of the Bond Date specified above.

SPECIMEN

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

SPECIMEN

(SEAL)



President

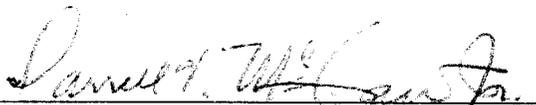


Secretary

ATTORNEY GENERAL'S APPROVAL

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

WITNESS my hand this the 17th day of December, 2009.



Attorney General of the State of West Virginia

CERTIFICATE OF
AUTHENTICATION AND REGISTRATION

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

Dated: March 24, 2010.

SPECIMEN

UNITED BANK, INC., as Registrar

By:



Vice President

(FORM OF BOND COUNSEL OPINION)

GOODWIN & GOODWIN, LLP
Charleston, West Virginia

March 24, 2010

The Board of Education of the County of Putnam
9 Courthouse Drive
Winfield, WV 25213

Re: \$56,750,000
The Board of Education of Putnam County (West Virginia)
Public School Bonds, Series 2010

SPECIMEN

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), of Putnam County School District, by and through The Board of Education of the County of Putnam (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated upon delivery and original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of \$5,000 or integral multiples thereof, and mature on May 1 in years and amounts and bear interest payable each May 1 and November 1, commencing November 1, 2010, as follows:

Year	Principal Amount	Interest Rate
2011	\$2,785,000	3.00%
2012	3,080,000	3.00
2013	3,170,000	3.00
2014	3,265,000	3.00
2015	3,360,000	4.00
2016	3,465,000	4.00
2017	3,570,000	4.00
2018	3,695,000	4.00
2019	3,845,000	4.00
2020	3,995,000	4.00
2021	4,155,000	4.00
2022	4,325,000	4.00
2023	4,495,000	4.00
2024	4,675,000	4.00
2025	4,865,000	4.00

SPECIMEN

The Bonds were authorized at a special election held in Putnam County School District on August 29, 2009, and by a Resolution and Order adopted by the Issuer (the "Resolution") on February 15, 2010, and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction and equipping of various school projects, with all necessary appurtenances thereto, and for the renovation and rehabilitation of various public schools situated in Putnam County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants, certifications and opinions of the Issuer and its counsel contained in the Resolution and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

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

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

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

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

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

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

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

Respectfully submitted,

GOODWIN & GOODWIN, LLP

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____.

SPECIMEN

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.

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-2

\$3,080,000

INTEREST RATE
3.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2012

CUSIP
746690CD6

REGISTERED OWNER: GEPH & CO.

PRINCIPAL AMOUNT:

Three Million Eighty Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, Putnam County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the interest payment date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2010 (each an "Interest Payment Date"). The State Treasurer of the State of West Virginia has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2010" (the "Bonds"), issued by the Board in the aggregate principal amount of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000). The Bonds were authorized to be issued by a majority of voters at the special election held on August 29, 2009. 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

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-3

\$3,170,000

INTEREST RATE
3.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2013

CUSIP
746690CE4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Three Million One Hundred Seventy Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, Putnam County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the interest payment date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2010 (each an "Interest Payment Date"). The State Treasurer of the State of West Virginia has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2010" (the "Bonds"), issued by the Board in the aggregate principal amount of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000). The Bonds were authorized to be issued by a majority of voters at the special election held on August 29, 2009. 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

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-4

\$3,265,000

<u>INTEREST RATE</u>	<u>BOND DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
3.00%	DATE OF DELIVERY	MAY 1, 2014	746690CF1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Three Million Two Hundred Sixty-five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, Putnam County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the interest payment date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2010 (each an "Interest Payment Date"). The State Treasurer of the State of West Virginia has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds of the Board designated as "Public School Bonds, Series 2010" (the "Bonds"), issued by the Board in the aggregate principal amount of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000). The Bonds were authorized to be issued by a majority of voters at the special election held on August 29, 2009. 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

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-5

\$3,365,000

INTEREST RATE
4.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2015

CUSIP
746690CG9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Three Million Three Hundred Sixty-five Thousand and 00/100 Dollars

KNOW ALL MEN BY THESE PRESENTS: That THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, Putnam County, West Virginia, a public corporation created and existing under the laws of the State of West Virginia (the "Board"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the interest payment date preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date (as hereinafter defined) or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2010 (each an "Interest Payment Date"). The State Treasurer of the State of West Virginia has designated United Bank, Inc., Charleston, West Virginia, as its agent to act in the capacity of registrar for the Bonds (the "Registrar"). The principal of this Bond is payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal office of the Municipal Bond Commission of West Virginia, as Paying Agent, in Charleston, West Virginia (the "Paying Agent"); and interest on this Bond is payable by check or draft, mailed to the Registered Owner at its address as it appears on the books of the Paying Agent on the 15th day of the month next preceding said Interest Payment Date (the "Record Date").

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-6

\$3,465,000

<u>INTEREST RATE</u>	<u>BOND DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
4.00%	DATE OF DELIVERY	MAY 1, 2016	746690CH7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Three Million Four Hundred Sixty-five Thousand and 00/100 Dollars

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STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-7

\$3,570,000

<u>INTEREST RATE</u>	<u>BOND DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
4.00%	DATE OF DELIVERY	MAY 1, 2017	746690CJ3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Three Million Five Hundred Seventy Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-8

\$3,695,000

<u>INTEREST RATE</u>	<u>BOND DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
4.00%	DATE OF DELIVERY	MAY 1, 2018	746690CK0

REGISTERED OWNER: ~~CEPEL~~ CO.

PRINCIPAL AMOUNT:

Three Million Six Hundred Ninety-five Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-9

\$3,845,000

INTEREST RATE
4.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2019

CUSIP
746690CL8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT

Three Million Eight Hundred Forty-five Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-10

\$3,995,000

INTEREST RATE
4.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2020

CUSIP
746690CM6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT

Three Million Nine Hundred Ninety-five Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-11

\$4,155,000

INTEREST RATE
4.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2021

CUSIP
746690CN4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Four Million One Hundred Fifty-five Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-12

\$4,325,000

INTEREST RATE
4.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2022

CUSIP
746690CP9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Four Million Three Hundred Twenty-five Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-13

\$4,495,000

<u>INTEREST RATE</u>	<u>BOND DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
4.00%	DATE OF DELIVERY	MAY 1, 2023	746690CQ7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Four Million Four Hundred Ninety-five Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-14

\$4,675,000

INTEREST RATE
4.00%

BOND DATE
DATE OF DELIVERY

MATURITY DATE
MAY 1, 2024

CUSIP
746690CR5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Four Million Six Hundred Seventy-five Thousand and 00/100 Dollars

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**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF
THE COUNTY OF PUTNAM
PUBLIC SCHOOL BONDS, SERIES 2010
(WEST VIRGINIA)**

NO. R-15

\$4,865,000

<u>INTEREST RATE</u>	<u>BOND DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
4.00%	DATE OF DELIVERY	MAY 1, 2025	746690CS3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Four Million Eight Hundred Sixty-five Thousand and 00/100 Dollars

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\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2010

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith:

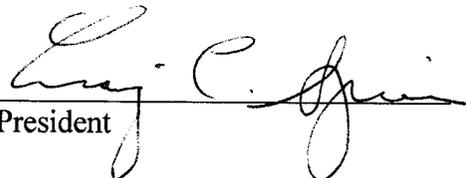
1. Bonds Nos. R-1 through R-15, constituting the entire original issue of The Board of Education of the County of Putnam Public School Bonds, Series 2010, dated March 24, 2010, in the aggregate principal amount of \$56,750,000 (the "Bonds") executed by the President and Secretary of The Board of Education of the County of Putnam (the "Issuer") and bearing the official seal of the Issuer. The Bonds were authorized for issuance pursuant to a Resolution and Order adopted by the Issuer on February 15, 2010 (the "Resolution");
2. A copy of the Resolution duly certified by the Secretary of the Issuer;
3. A list of the names in which the Bonds are to be registered upon original issuance, together with CUSIP numbers;
4. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Purchaser.

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

Dated this 24th day of March, 2010.

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

By: _____
President



\$56,750,000
The Board of Education of the County of Putnam
Public School Bonds, Series 2010

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

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

We, the undersigned PRESIDENT and SECRETARY of The Board of Education of the County of Putnam, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the \$56,750,000 aggregate principal amount of The Board of Education of the County of Putnam (West Virginia), Public School Bonds, Series 2010 (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Resolution and Order Directing Issuance of Bonds of the Issuer, adopted February 15, 2010 (the "Resolution").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale and delivery of the Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds nor in any manner affecting the validity or enforceability of the Bonds, the Resolution, the bidding procedures relating to sale of the Bonds or any agreement or instrument relating thereto, or any provisions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer, the authority or titles of the President and Secretary and the members of the Issuer and other officials of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the authorization, sale and delivery of the Bonds; nor wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Issuer or adversely affect the power of the Issuer to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, except as noted in the opinion delivered herewith by the Attorney for the Issuer, or the acquisition and construction of the Project financed with proceeds of the Bonds which is not set forth in the Official Statement relating to the Bonds.

3. AWARD OF BONDS; SIGNATURES: Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended (the "Act"), the Bonds were advertised for sale and seven (7)

bids were received, the best bid being that of Citigroup Global Markets Inc., all as appears from the minutes on award of the Bonds, a copy of which is delivered herewith. The Bonds were thereupon awarded to Citigroup Global Markets Inc. (the "Purchaser"), at a par amount of \$56,750,000, plus plus original issue premium in the amount of \$3,057,616.60, for a total purchase price of \$59,807,616.60. The Bonds were signed by the signatures of the President and Secretary, and the official seal of the Issuer, which seal is impressed upon this Certificate, was imprinted thereon.

4. DELIVERY AND PAYMENT: The undersigned President did, on the date hereof, deliver to the Purchaser, the entire issue of the Bonds, in various denominations and numbered R-1 to R-15, inclusive.

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

Purchase Price	\$56,750,000.00
Less: Good-Faith Deposit	(1,135,000)
Plus: Premium	3,057,616.60
Amount received at Bond Delivery	<u>58,672,616.60</u>
 Total Received	 \$59,807,616.60

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

Minutes (or excerpt) of various Board Meetings

Bond Election Order

Resolution and Order Directing Issuance of Bonds

Attorney General's Approval

Affidavit of Publication of Attorney General's Approval

Bid of Citigroup Global Markets Inc.

Certificate of Valuations

Copy of Letter of Clerk of Supreme Court of Appeals

Affidavits of Publication of Notice of Sale

Preliminary Official Statement

Official Statement

Specimen Bond

6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since June 30, 2009, except as may be set forth in the Official Statement. The Board and the School District now have outstanding bonded indebtedness in the amount of \$56,750,000. The unbonded indebtedness of the School District is for current expenses and can be paid from current levy funds. There is no indebtedness or obligation of the Issuer outstanding and unpaid or for which full and irrevocable provision for payment has not been made which has priority over or ranks on a parity with the Bonds as to the sources of and security for payment.

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

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The Board of Education of the County of Putnam" and it is a validly existing school board and public corporation of the State of West Virginia, and constitutes the governing body of Putnam County School District, in Putnam County of said State. The Issuer is composed of five (5) members. The names, offices and dates of commencement and termination of current terms of office of the members of the Issuer are as follows:

<u>Name and Office</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Dr. Craig Spicer, President	July 1, 2006	June 30, 2010
William (Butch) Legg, Vice President	July 1, 2006	June 30, 2010
Jack Coyner	July 1, 2008	June 30, 2012
Deborah F. Phillips	July 1, 2006	June 30, 2010
Dr. Samuel P. Sentelle	July 1, 2008	June 30, 2012

The duly appointed Superintendent and Secretary of the Issuer is Harold L. Hatfield, whose term expires June 30, 2012.

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

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

a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

WITNESS our signatures and the official corporate seal of THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM on this 24th day of March, 2010.

[SEAL]

Signature

Official Title

Craig C. Green

President

Harold Hepner

Secretary

Edward J. Devitt

Attorney for Issuer

Bowles Inc. / David Griffith & Sons LLP

\$56,750,000
The Board of Education of the County of Putnam
Public School Bonds, Series 2010

TAX AND NON-ARBITRAGE CERTIFICATE OF ISSUER

I, Dr. Craig Spicer, President of The Board of Education of the County of Putnam, Charleston, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$56,750,000 aggregate principal amount of Public School Bonds, Series 2010, of the Issuer, dated March 24, 2010, upon original issuance (the "Bonds"), hereby certify as follows:

ARTICLE I

PRELIMINARY MATTERS

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

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

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

Section 1.4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on March 24, 2010, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

Section 1.6. The Bonds were sold on March 24, 2010, to Citigroup Global Markets Inc. (the "Purchaser"), in Charleston, West Virginia, upon competitive bid, for an aggregate purchase price of \$56,750,000 (100% of par), and a premium in the amount of \$3,057,616.60 (total proceeds of \$59,807,616.60).

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

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

ARTICLE II

THE PROJECTS AND USE OF BOND PROCEEDS

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

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

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

Section 2.4. No portion of the payments of principal or interest will be made, financed or secured by, directly or indirectly, payments or property used in any trade or business of any person other than the Issuer. The Issuer will not permit any portion of the payment of the principal or interest on the Bonds to be secured, directly or indirectly, by (i) interests in property or (ii) payments in respect of such property, which property is used or to be used in any trade or business of any person other than the Issuer. The Issuer will not permit any portion of the payment of the principal or interest on the Bonds to be derived, directly or indirectly, by payments (whether or not to the Issuer) in respect of property or borrowed money, used or to be used in any trade or business of any persons other than the Issuer.

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

ARTICLE III

REBATES

Section 3.1. The Issuer certifies that it is exempt from the rebate requirements of the Code as it is an issuer with general taxing power, which reasonably anticipates issuing no more than the \$56,750,000 in bonds during calendar year 2010 in order to assure the continued tax-exempt status.

ARTICLE IV

FEDERAL GUARANTEES

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

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

ARTICLE V

ARBITRAGE COVENANTS

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

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

Section 5.3. The Issuer shall, within six (6) months following delivery of the Bonds, enter into agreements, which require the Issuer to expend in excess of \$100,000 on the Projects. Acquisition, construction and equipping of the Projects will commence on or prior to June 24, 2010, and will proceed with due diligence to completion, and all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Projects on or before March 24, 2013. Construction of the Projects is expected to be completed by March 24, 2013. If it becomes necessary to extend the period for completion of the construction of the Projects beyond their expected completion date, the Issuer and a licensed architect or engineer for the Issuer will execute a certificate, the form of which is attached hereto as Exhibit "A", providing for the extended period of time required to complete the acquisition, construction and equipping of the Projects.

Section 5.4. The total cost of the Projects is estimated at \$78,495,736.00. The amount of project costs expected to be reimbursed or paid from sources other than proceeds of the Bonds and earnings thereon is estimated to be \$21,745,736.00. Except for the proceeds of the Bonds, and earnings thereon prior to their expenditure for costs of the Projects, no other funds of the Issuer will be available to meet costs of the Projects, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such

expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

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

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

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

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

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

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

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

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

Section 5.13. The Issuer has general taxing powers to finance operations of facilities of the nature of the Projects, and the Issuer reasonably expects to issue no more than \$56,750,000 of tax-exempt bonds during the calendar year in which the Bonds are to be issued and, in fact have issued no other tax-exempt obligations during the current calendar year.

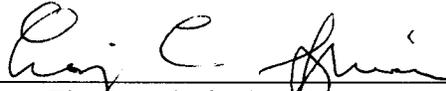
Section 5.14. The Issuer will take all further actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

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

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

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

IN WITNESS WHEREOF, I have set my hand this 24th day of March, 2010.

A handwritten signature in cursive script, appearing to read "Roy C. Smith", written over a horizontal line.

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

\$56,750,000
The Board of Education of the County of Putnam
Public School Bonds, Series 2010 (the "Bonds")

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

We, _____, as President of the Board of Education of Putnam County, West Virginia (the "Issuer"), and _____, a licensed architect for the Issuer, hereby certify that the acquisition, construction and equipping of the Projects, as defined in the Tax and Non-Arbitrage Certificate executed on behalf of the Issuer on March 24, 2010, at closing on the issuance of the Bonds, the proceeds of which are being used to finance the acquisition, construction and equipping of the Projects, will require a period of not more than five (5) years from the date of issuance of the Bonds for completion of the Projects. This Certificate is delivered in satisfaction of the requirements of Section 1.148-2 of the Internal Revenue Code of 1986, as amended.

Dated this ___ day of _____, 201_.

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

By: _____
President

By: _____
Licensed Architect

CERTIFICATE OF VALUATION

Board of Education

Putnam

(Levying Body)

(County)

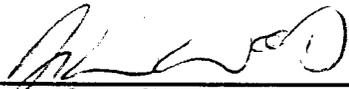
TO: **Secretary**

(County Commission President, School Board Secretary or Municipal Clerk or Recorder)

The undersigned Assessor and County Clerk of said County do hereby certify the assessed value of the various classes of real estate, personal property and public utility property for the assessment year 2009

	Column A Assessed Value Including Back Tax And New Property (Total)	Column B All Other Exempt Value (excluding P U)	Column C Gross Assessed (Col A Plus Col B) (County Classification Purposes Only)	Column D Homestead Exempt Value	Column E Assessed Valuation For Tax Purposes <small>(w/o Homestead & Exempt)</small> (Col A Minus Col D)
Class I					
Personal Property	_____	_____	0	_____	0
Public Utility Property	_____	_____	0	_____	0
Total Class I	<u>0</u>	<u>0</u>	<u>0</u>	_____	<u>0</u>
Class II					
Real Estate	1,348,895,830	1,264,980	1,350,160,810	100,109,100	1,248,786,730
Personal Property	15,574,979	16,416	15,591,395	2,211,944	13,363,035
Total Class II	<u>1,364,470,809</u>	<u>1,281,396</u>	<u>1,365,752,205</u>	<u>102,321,044</u>	<u>1,262,149,765</u>
Class III					
Real Estate	340,014,600	200,779,210	540,793,810	_____	340,014,600
Personal Property	477,852,693	271,181,994	749,034,687	_____	477,852,693
Public Utility Property	404,804,276	_____	404,804,276	_____	404,804,276
Total Class III	<u>1,222,671,569</u>	<u>471,961,204</u>	<u>1,694,632,773</u>	_____	<u>1,222,671,569</u>
Class IV					
Real Estate	86,712,510	77,993,590	164,706,100	_____	86,712,510
Personal Property	64,286,723	0	64,286,723	_____	64,286,723
	14,680,928	_____	14,680,928	_____	14,680,928
Total Class IV	<u>165,680,161</u>	<u>77,993,590</u>	<u>243,673,751</u>	_____	<u>165,680,161</u>
TOTAL FOR LEVYING BODY	<u>2,752,822,539</u>	<u>551,236,190</u>	<u>3,304,058,729</u>	<u>102,321,044</u>	<u>2,650,501,495</u>

Given under our hands this 2nd day of March, 2009



County Clerk



Assessor

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

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

Original signed copy - Levying Body
Photocopy - Tax Dept.

Photocopy - Auditor's Office
Photocopy - Retain

Photocopy - Board of Ed. Only - State Dept. of Education

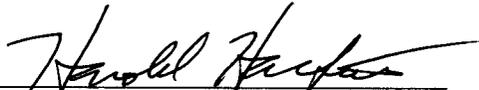
\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, WEST VIRGINIA
PUBLIC SCHOOL BONDS
SERIES 2010

CERTIFICATE OF BONDED INDEBTEDNESS

I, Harold Hatfield, Superintendent of Schools of the County of Putnam and Secretary of the Board of Education of said County, hereby certify that the Putnam County School District had \$0 in outstanding bonded indebtedness as of June 8, 2009, the date on which said Board entered an order submitting the question of issuance of \$56,750,000 Public School Bonds to an election (which election was held on August 29, 2009, and resulted in approval by the voters of Putnam County School District of issuance of such Bonds).

The assessed valuation of taxable property in Putnam County School District at said dates was \$2,650,501,495 and five percent (5%) thereof is \$132,525,075.

WITNESS my signature and the seal of said Board on this the 24th day of March, 2010.



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

\$56,750,000

**THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2010**

PURCHASER'S CERTIFICATE

The undersigned, as purchaser (the "Purchaser") of the above-captioned Bonds (the "Bonds"), hereby certifies that:

(a) All of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated March 10, 2010, relating to the Bonds. We have made a bona fide public offering of all Bonds at the public offering price.

(b) To the best of our knowledge, based on our records and other information available to us which we believe to be correct, at least ten percent (10%) of the 2011, 2017 through and including 2021 and 2025 maturities of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Official Statement. At the time we agreed to purchase the Bonds, based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices, or yields less than the yields, shown on the cover of the Official Statement.

(c) This certificate may be relied upon by the Issuer with respect to its Tax and Non-Arbitrage Certificate relating to the Bonds, and by Goodwin & Goodwin, LLP in rendering their tax opinion with respect to the Bonds.

Dated: March 24, 2010

CITIGROUP GLOBAL MARKETS INC.

By: _____

Director

\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, WEST VIRGINIA
PUBLIC SCHOOL BONDS, SERIES 2010

REGISTRAR AND AUTHENTICATING AGENT'S CERTIFICATE

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

1. The Bank has full power and authority to enter into and carry out the provisions of the Registrar's Agreement, dated March 24, 2010, by and between The Board of Education of the County of Putnam (the "Issuer") and the Bank (the "Agreement").

2. The persons whose titles, names and signatures are set forth below hold the positions, by election or appointment by the Board of Directors of the Bank shown opposite their respective names, and such persons have been named and designated as authorized officers of the Bank to authenticate and register the Bonds, to deliver certificates on behalf of the Bank in connection with the closing of the sale of the Bonds and to take any other actions required by the Agreement.

Title

Name

Signature

Vice President

Kathy Smith



3. Kathy Smith was duly authorized to, and did on or prior to the date hereof, execute and deliver the Agreement to the Issuer on behalf of the Bank.

4. The undersigned has received on or prior to the date hereof a direction on behalf of the Issuer to authenticate and deliver the Bonds to Citigroup Global Markets Inc., as original purchaser thereof.

5. The Bank has received from the Issuer on the date hereof the Bonds, in the respective numbers and denominations, maturing on September 1 of such years, and bearing interest at such rates, all as set forth in the Official Statement dated March 10, 2010, relating thereto. At the time of such receipt, each Bond bore the original or facsimile signature of the President of the Issuer and the seal of the Issuer had been impressed or affixed thereto and attested by the original or facsimile signature of the Secretary of the Issuer.

6. The Bank has duly authenticated the Bonds originally issued on March 24, 2010, by manually executing on each of such Bonds a certificate in the following form:

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Imprinted on the reverse hereof is the complete text of the opinion of Goodwin & Goodwin, LLP, bond counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds.

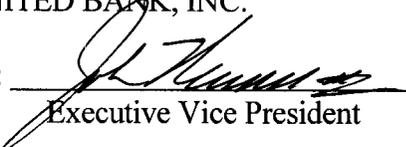
UNITED BANK, INC.

By: /s/ Kathy Smith
Vice President

Dated: March 24, 2010

WITNESS MY SIGNATURE as of the 24th day of March, 2010.

UNITED BANK, INC.

By: 
Executive Vice President

LAW OFFICES

GOODWIN & GOODWIN, LLP

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March 24, 2010

The Board of Education of the County of Putnam
9 Courthouse Drive
Winfield, WV 25213

Re: \$56,750,000
The Board of Education of Putnam County (West Virginia)
Public School Bonds, Series 2010

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), of Putnam County School District, by and through The Board of Education of the County of Putnam (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated upon delivery and original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of \$5,000 or integral multiples thereof, and mature on May 1 in years and amounts and bear interest payable each May 1 and November 1, commencing November 1, 2010, as follows:

Year	Principal Amount	Interest Rate
2011	\$2,785,000	3.00%
2012	3,080,000	3.00
2013	3,170,000	3.00
2014	3,265,000	3.00
2015	3,365,000	4.00
2016	3,465,000	4.00
2017	3,570,000	4.00
2018	3,695,000	4.00
2019	3,845,000	4.00
2020	3,995,000	4.00
2021	4,155,000	4.00
2022	4,325,000	4.00
2023	4,495,000	4.00
2024	4,675,000	4.00
2025	4,865,000	4.00

GOODWIN & GOODWIN, LLP

The Bonds were authorized at a special election held in Putnam County School District on August 29, 2009, and by a Resolution and Order adopted by the Issuer (the "Resolution") on February 15, 2010, and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction and equipping of various school projects, with all necessary appurtenances thereto, and for the renovation and rehabilitation of various public schools situated in Putnam County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants, certifications and opinions of the Issuer and its counsel contained in the Resolution and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

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

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.
2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has the power and is obligated to levy ad valorem taxes upon all the taxable property within Putnam County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.
3. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds is not includable in gross income of the owners thereof for Federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations; it should be noted, however, that interest on the Bonds held by a corporation may be indirectly subject to alternative minimum tax because of its inclusion in the reported income or earnings and profits of such corporate holder. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution and the Tax Certificate of the Issuer. Failure to comply with such representations, covenants and certifications could cause the interest on the Bonds to be includable

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in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

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March 24, 2010

Putnam County Board of Education
9 Courthouse Drive
Winfield, WV 25213

Ladies and Gentlemen:

We have examined a transcript of proceedings relating to the issuance of \$56,750,000 aggregate principal amount of Public School Bonds, Series 2010 (the "Bonds") of The Board of Education of the County of Putnam (the "Issuer"), and a "Tax and Non-Arbitrage Certificate of Issuer" executed by the President of the Issuer on this date.

Based upon such Certificate, we are of the opinion that the facts, estimates and circumstances set forth therein are sufficient to satisfy the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), to support the conclusion that the Bonds are not "arbitrage bonds" as therein defined. While we have undertaken no independent investigation or verification of the statements, expectations or representations set forth in such Certificate, no matters have come to our attention that make unreasonable or incorrect such statements, expectations or representations.

Accordingly, it is our opinion that, under existing statutes, regulations, rulings and court decisions, the Bonds are not "arbitrage bonds" as so defined.

The opinions set forth above are subject to the condition that the Issuer will comply with all requirements of the Code relating to arbitrage that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for Federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

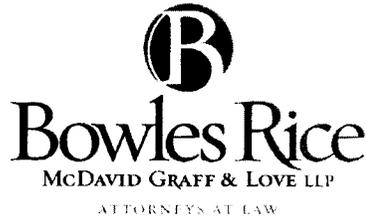
Respectfully submitted,


GOODWIN & GOODWIN, LLP

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March 24, 2010

The Board of Education of the
County of Putnam
9 Courthouse Drive
Winfield, West Virginia 25213

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

Re: \$56,750,000 The Board of Education of the County of Putnam
[West Virginia] Public School Bonds, Series 2010

Ladies and Gentlemen:

We are Special Counsel to the Board of Education of the County of Putnam, West Virginia (the "Board") with respect to the issuance and sale of its \$56,750,000 Public School Bonds, Series 2010 (the "Bonds").

We have reviewed copies of the approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, as Bond Counsel, and the Resolution and Order (the "Resolution") relating to the Bonds and such other documents and certificates we deem relevant or necessary for purposes of rendering the opinions herein. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in said opinion and Resolution.

Based upon the foregoing, we are of the opinion that:

1. The Board is a duly organized and validly existing school board under and pursuant to the Constitution and laws of the State of West Virginia, with full legal right, power and authority to adopt the Resolution, to pledge the security as set forth in the Resolution, to issue, sell and deliver the Bonds to the purchaser thereof, to own and operate the public school facilities of Putnam County and conduct the business thereof as set forth in and contemplated by the Official Statement and to carry out, give effect to and consummate the transactions contemplated by the Bonds, the Resolution and the Official Statement.

The Board of Education of the County Putnam
Goodwin & Goodwin, LLP
March 24, 2010
Page 2

2. The Bonds have been duly authorized, executed and delivered by, and the Resolution has been duly adopted by, and each constitutes a legal, valid and binding agreement and obligation of the Board, enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights from time to time in effect and except that no opinion is expressed as to the enforceability of Section 3 of the Registrar's Agreement insofar as the provisions thereof require the Board to indemnify and hold harmless the Paying Agent in certain circumstances.

3. The Board has duly authorized the execution, delivery and distribution of the Official Statement.

4. The Board is not, to the best of our knowledge after reasonable investigation, in breach of or in default under any constitutional provision, applicable law or administrative rule or regulation of the State of West Virginia, the United States, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order, or note, ordinance, resolution, indenture, contract, agreement or other instrument to which the Board is a party or to which the Board or any of the properties or assets of the public school facilities of Putnam County are otherwise subject or bound, which breach or default, in any material way, directly or indirectly, would affect operation hereof, the issuance, execution or delivery of the bonds or the validity thereof, the validity or enactment of the Resolution and Order or the execution or delivery of the Official Statement or the other instruments contemplated by any of such documents to which the Board is a party; and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default; and the adopting of the Resolution, and the execution and delivery of the Bonds, the Official Statement and the other documents and instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any constitutional provision, applicable law or administrative rule or regulation of the State of West Virginia, the United States, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, or other instrument to which the Board is a party or to which the Board or any of the properties or assets of the Board are otherwise subject or bound.

5. All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, legislative body, board, agency or commission having jurisdiction, which would constitute conditions precedent to, or the absence of which would materially adversely affect the due performance by the Board of its obligations under the Resolution or the Bonds have been duly obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any

The Board of Education of the County Putnam
Goodwin & Goodwin, LLP
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Page 3

state in connection with the offering and sale of the Bonds, as to which no opinion is hereby expressed.

6. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or, to our knowledge, threatened in any way questioning or affecting the existence of the Board, or the titles of the officers and members of the Board to their respective offices, or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Resolution or the collection or application of the ad valorem taxes of Putnam County, West Virginia and any other assets pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or any action of the Board, contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or contesting the powers or authority of the Board, with respect to the issuance, sale or delivery of the Bonds, the adoption of the Resolution, or the execution and delivery of the Bonds, or any action on the part of the Board, which would adversely affect the exemption of interest to be paid on the Bonds from federal income taxation, nor to our knowledge is there any basis therefor.

7. Without having made any independent investigations of the operation or affairs of the Board, or any independent certification of the statements of fact contained in the Official Statement including the appendices thereto, the Official Statement (except as to any financial and statistical data contained in the Official Statement, as to which no opinion or belief is hereby expressed) does not contain any untrue statement of a material fact or omit to state a material fact which, in our judgment, is required to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

Bowles Rice / David Graff & Love LLP

State of West Virginia
County of Putnam, to-wit

Winfield, West Virginia

The Putnam County Board of Education will meet in a special meeting pursuant to WVC 18-5-1c on Wednesday, March 10, 2010, at 10:30 a.m., at the Board office in Winfield, West Virginia. Board reserves the right to amend this agenda with emergency personnel/financial matters which may arise after publication.

Flag Salute

Members present. Dr. Craig Spicer, William Legg, Jack Coyner, Deborah Phillips, Dr. Sam Sentelle and Harold Hatfield, Secretary, were present.

Approval of Minutes

Motion by Jack Coyner, seconded by William Legg, to approve the minutes of the meeting of March 1, 2010 as read. Motion carried. Vote: 5 ayes 0 nays.

New Business

1. Sale of Public School Bonds. Motion by Deborah Phillips, seconded by Jack Coyner, that upon the receipt and review of the bids to purchase the Bonds, that the bid of Citigroup Global Markets, Inc., in the amount of 3.196040%, to purchase \$56,750,000 of the Putnam County Board of Education Public School Bonds, Series 2010, be accepted, subject to verification of the true interest cost and receipt of the good faith deposit. Motion carried. Vote: 5 ayes 0 nays.

Personnel

1. Transfer status. Motion by Jack Coyner, seconded by William Legg, upon recommendation of the Superintendent, pursuant to WVC 18A-2-7, an opportunity for hearing having been duly provided, to place the following personnel on transfer status for the 2010-11 school year. Motion carried. Vote: 5 ayes 0 nays.

professional (200 days unless otherwise shown)

Amick, Tara, tchr, Title I pre school, Buffalo Elem,
unassigned

Craigo, Sherry, curriculum spec/rdging, central office,
unassigned

Davis, Ashley, tchr, Title I preschool, Mountain View,
unassigned

10624

10 Mar 10

Grimmett, Brianne, tchr, Title I Reading/Math, Lakeside,
unassigned
Hackett, Debra, tchr, Title I Reading/Math, Poca Elem,
unassigned
Hanna, Leslie, tchr, Title I, pre school, Rock Branch,
unassigned
Hinkle, Tara, tchr, kgtn, Scott Teays, unassigned
Holbrook, Krya, tchr, Title I Rding/Math, Mountain View,
unassigned
Hudnall, Darlene, tchr, Title I Reading/Math, Lakeside
Elem, unassigned
Hunt, Violet, curriculum spec, math, central office,
unassigned
Johnson, Leighann, tchr, Title I Reading/Math, Poca Elem,
unassigned
Justice, Amie, tchr, Title I preschool, Mountain View,
unassigned
Lewis, Carolyn, tchr, Title I Reading/Math, Hometown,
unassigned
Lyons, Sherri, tchr, 3rd gr, Winfield Elem, unassigned
Moore, Nicole, tchr, kgtn, Mountain View, unassigned
Pauley, Nicolette, tchr, Title I Reading/Math, Buffalo
Elem, unassigned
Pearson, Maria, tchr, Title I pre school, Lakeside,
unassigned
Peters, Annalee, tchr, Title I Reading/Math, Rock Branch,
unassigned
Raczok, Barbara, tchr, Title I Reading/Math, Buffalo Elem,
unassigned
Reynolds, Jennifer, tchr, Title I, pre school, GW Elem,
unassigned
Roberts, Nicole, tchr, Title I Reading/Math, GW Elem,
unassigned
Robie, Mary, tchr, Title I Reading/Math, Rock Branch,
unassigned
Sanders, Diane, tchr, Title I Reading/Math, Poca Elem,
unassigned
Smith, Pamela, tchr, Title I Reading/Math, pre school,
Buffalo El, unassigned
Tuemler, Leah, tchr, Title I, pre school/pre school
handicap, Poca Elem, unassigned
Wallace, Uticia, tchr, Title I Reading/Math, Lakeside,
unassigned
Wilson, Vickie, tchr, Title I preschool, Hometown,
unassigned

service (200 days unless otherwise shown)

Gibson, Connie, aide, currently kgtn, West Teays,
unassigned

Hill, Cynthia, aide, currently ex ed, Conner Street,
unassigned

Supplemental runs, bus op(s)

Combs, Cora, community base work experience (SR 4,9,36)
gifted (SR 63,48), unassigned

Doneff, Roger, community base work experience (SR 5),
unassigned

Douglas, Richard, community base work experience (SR 22),
gifted (SR 72), unassigned

Hardway, Linda, gifted (SR 39), unassigned

Harper, Larrie, community base work experience (SR 6,7),
unassigned

Jackson, Larry, gifted (SR 15), unassigned

Melton, Patricia, gifted (SR 59), unassigned

Richardson, Karen, gifted (SR 71), unassigned

Shantie, Debra, gifted (SR 42), unassigned

Thompson, Robert, gifted (SR 19), unassigned

Wymer Rodney, gifted (SR 43), unassigned

2. Reemployment of personnel. Motion by William Legg,
seconded by Jack Coyner, upon recommendation of the
Superintendent, pursuant to WVC 18A-2-2 & 6, to approve the
reemployment of the following personnel for the 2010-2011
school year. Motion carried. Vote: 5 ayes 0 nays.

name, assignment, location, contract

probationary one year or less

professional (200 days unless otherwise shown)

Malicy Black, tchr, 5th gr, Hometown

Erin Crouch, tchr, art, Winfield High

Kathryn Deemer, tchr, English, Hurricane High

Erica Dixon, tchr, kgtn, Rock Branch

Rebecca Dusic, ½ time tchr, French, Hurricane High

Kristi French, tchr, 1st grade, Buffalo Elem

Kristi Gillispie, tchr, kgtn, Winfield Elem

L. Danielle Gillispie, coordinator of drug
prevention/education, central office, 240 days

Christy Gregory, tchr, English, Winfield High

Brianne Grimmitt, tchr, transfer unassigned

Judith Hamilton, tchr, kgtn, Rock Branch Elem

Jonathan Hemmelgarn, tchr, lang arts, Winfield High

Tara Hinkle, tchr, transfer unassigned

Holly Hoover, tchr, sph, Winfield Middle

Sarah Jett, tchr, SLD/MI, Winfield Middle

10626

10 Mar 10

Lucinda Johnson, tchr, severe/profound, West Teays
Rebecca Kimmerle, ½ time tchr, pe, Confidence Elem
Amy Knell, speech lang pathologist, itin
Erasmi Larson, ½ time tchr, Spanish, Poca High
Sherri Lyons, tchr, transfer unassigned
Rebecca Marcantel, tchr, 4th gr, GW Elem
Crystal Mashayekhi, ½ time tchr, gen sci, Winfield High
Allison Massey, tchr, lang arts, Poca Middle
Linda McCallister, tchr, gifted/AP, Itin
Nicole Moore, tchr, transfer unassigned
Erica Mullins, ½ time tchr, family/consumer sci, Poca High
Laura Oshel, tchr, MI/AU, Winfield Middle
Tonya Pasley, counselor, Hurricane High, 220 days
Julia Paxton, tchr, music, instrumental, GW Middle, 210
days
Marian Pyles, ½ time tchr, SLD/MI, Poca High
Monica Rayburn, tchr, MI/Autism, Mountain View
Angela Reedy, tchr, 5th grade, Rock Branch
Brandon Ridgely, tchr, lang arts, Poca Middle
Shawn Rigney, tchr, SLD/MI, Hurricane Middle
Cheryll Roberts, ½ time tchr, chem/physics, Hurricane High
Nichole Roberts, tchr, transfer unassigned
J. Suzette Ruggier, tchr, BD, Hurricane Middle
Ashleigh Runion, tchr, 3rd grade, Hometown Elem
Christy Schwartz, tchr, gifted, itin
Gary Sigman, Jr., coordinator of energy ed/safety
management, central office, 240 days
Sarah Smith, tchr, 4th grade, Hometown Elem
Claudia Snow, tchr, math, GW Middle
Meghan Stevens, tchr, Eng/lang arts, Poca High
Sandra Taylor, tchr, family/consumer sci, Buffalo High
Tatum Templeton, tchr, kgtn, Lakeside
Lori Terango, tchr, English, Winfield Middle
Leigh Ann Thomas, tchr, 1st grade, Poca Elem
Jimmy Tribble, SLD/MI, Buffalo High
L. Nikki Tuemler, tchr, transfer unassigned
Jamie Wendel, tchr, SLD/MI, Winfield Middle
Shelly Young, ½ time tchr, soc st, Hurricane High
service
Marc Arthur, ½ time bus op dl, Winfield area
Brenda Bailes, ½ time cook b, Winfield High
Lori Bennett, sec/acct e, Winfield Middle/Hurricane Middle
Gary Bowles, ½ time bus op dl, Poca area
Craig Cook, maintenance, central office, 261 days
Christopher Coyner, maintenance, central office, 261 days
C. Lynn Craig, ½ time bus op dl, Winfield area

Flora Fry, ½ bus op d1, Hurricane area
Frank Hanson, maintenance, central office, 261 days
Jason Johns, mechanic, central office, 261 days
April Keaton, ½ time cook, Hurricane Middle
Candace Kessler, ½ time cook, Conner Street
Brian King, ex ed aide d2, Winfield Middle
Jeanine McKinney, ½ day cook b, GW Middle
Terry McKinney, ex ed aide b1, Poca Middle
Timothy McKinney, ex ed aide b1, Winfield Elem
Donny Napier, custodian c, Winfield Elem
Mary Ord, aide d2, Poca Elem
Devin Oxley, ½ day cook b, Hurricane Middle
Frances L. Smith, ½ time ex ed aide b1, alt sch, Hurricane
High
Melissa Smith, kgtn aide d2, Rock Branch Elem
Patrick Stewart, ex ed aide b1, Winfield High
John Straley, ½ time bus op d1, Hurricane area
Lesia Whittington, head custodian d, Winfield High, 235
days

probationary two years

professional (200 days unless otherwise shown)

Carla Addair, tchr, soc st, Winfield High
Stacy Adkins, sch nurse, itin
Suzanne Anderson, tchr, SLD/MI, Winfield Middle
Kerri Barnett, tchr, 3rd gr, Mountain View
Melinda Bender, tchr, soc st, GW Middle
Tammy Brown, tchr, 5th gr, Lakeside Elem
Cynthia Butcher, tchr, math, Winfield Middle
Carly Childers, tchr, 1st gr, Hurricane Town
Jan Click Maxey, tchr, gen sci, Hurricane Middle
John Cochran, tchr, soc st, Winfield High
Scott Coyner, coordinator of business, central office, 261
days
Erica Divita, counselor, itin, 210 days
Helen Durgin, tchr, 1st gr, Poca Elem
Amy Fairchild, ½ time tchr, LD/MI, Winfield High
Lori Folio, tchr, 4th gr, Mountain View Elem
Jill Guess, tchr, 3rd gr, GW Elem
Audrey Hale, tchr, 4th gr, Lakeside
Nicole Hudson, sch nurse, itin
Amy Keller, tchr, Autism, Winfield Elem
Erika Klose, tchr, science, Winfield Middle
Shanna Leighton, payroll acct, central office, 261 days
Krista Lloyd, tchr, music(vocal), GW Middle
Ilse-Renee Long, tchr, Choral/show choir, Hurricane High
Rikki Lowe, tchr, BD, Poca Middle

10 Mar 10

Janice Luikart, ½ time tchr, sci, Buffalo High
 Roy Lyons, tchr, drafting/autocad, PCTC, 201 days
 Dawn Malone, tchr, 4th grade, Mountain View Elem
 April McConihay, tchr, 5th gr, Winfield Elem
 Barbie Newhouse, tchr, math, Winfield/Buffalo High
 Amanda Nicholas, tchr, lang arts, Poca Middle
 Kristina Painter, tchr, 3rd gr, West Teays Elem
 Amy Pauley, tchr, lang arts, Hurricane Middle
 Nicolette Pauley, tchr, transfer unassigned
 Maria Pearson, tchr, transfer unassigned
 Heather Reed, tchr, biology/gen sci, Hurricane High
 Katherine Robie, tchr, transfer unassigned
 Courtney Rupert, tchr, English, Hurricane Middle
 ReBecca Sizemore, speech/lang spec, itin
 Ann Smith, tchr, 4th/5th gr, Rock Branch
 Pamela Smith, tchr, transfer unassigned
 Paul Sowards, tchr, soc st, Buffalo High
 Tonia Stover, tchr, health asst, PCTC, 201 days
 Karen Thomas, tchr, preschool sp needs, Lakeside
 Melissa Thompson, tchr, French, Winfield High
 Cynthia Valleau, tchr, lang arts, Hurricane Middle
 Stephanie Walz, tchr, sci, Winfield Middle
 Vicky Wilson, tchr, transfer unassigned
 Linda Wollaber, tchr, Biology, Winfield High

service

Maxwell Bailes, Jr, custodian c, West Teays, 209 days
 Paula Blankenship, custodian c, Winfield Middle
 Ann Cochran, custodian c, Buffalo High, 206 days
 Pamela Dunbar, custodian c, Poca Middle, 206 days
 Judy Eskew, ½ cook b, Winfield Middle
 C. Sue Ferguson, kgtn aide bl, Poca Elem
 Melissa Foster, sec/acct f, central office, 261 days
 Tryone Harrah, custodian c, Poca High
 Stephen Hendrick, custodian c, Scott Teays
 Jeremy Hicks, bus op dl, Hurricane area
 Bryan Hill, custodian c, Hurricane Middle, 215 days
 Lisa Houck, sec/acct e, Scott Teays, 210 days
 Kathy Hughes, ½ time sec/acct e, Poca Middle
 Jeanette Jeffers, ½ time bus op dl, Winfield area
 Thomas Jennings, custodian c, Poca Elem, 206 days
 Richard Jividen, custodian c, Eastbrook Elem, 206 days
 Mary Legg, cook b, Buffalo Elem
 Charity Luikart, ½ time bus op dl, Buff/GW area
 Donald Matney, ½ time custodian c, Hurricane High
 Treva Parks, custodian c, Lakeside, 206 days
 Wendy Peters, custodian c, Poca High, 220 days

Michelle Rayburn, custodian c, Hurricane High
Kelly Raynes, ½ time bus op dl, Hurricane area
LeeAnn Ricca, ½ bus op dl, Hurricane area
Ronzel Richardson, custodian c, Mountain View Elem
Roland Roberts, ½ time custodian c, Poca Elem
Stephen Rogers, custodian c, Rock Branch, 206 days
Jerry Wears, custodian c, Buffalo Elementary, 206 days

continuing

professional (200 days unless otherwise shown)

Timothy Allison, tchr, gen sci, GW Middle
Sarah Barnes, counselor, Hurricane High, 220 days
Amy Basler, tchr, 3rd gr, Hurricane Town
Carol Bays, tchr, lang arts, GW Middle
Susan Beck, school psychologist, itin
Andy Bird, tchr, SLD/MI, Hurricane High
Shari Bumgarner, tchr, SLD/MI, GW Middle
Steven Burdette, ½ time tchr, busi ed, Winfield High
Michelle Burris, tchr, SLD/MI, Mountain View
Jason Casto, tchr, masonry, PCTC, 201 days
Heidi Clark, tchr, math, Poca Middle
James Clendenin, tchr, SLD/MI, GW Middle
Violet Cohenour, tchr, math, GW Middle
Susan Daly, tchr, preschool, Confidence Elem
Kathryn Davis, ½ tchr, health, Winfield High
Kristin DeVaney, tchr, lang arts, Hurricane Middle
Mills Dillard, tchr, chem/gen sci, Hurricane High
Jill Dunlap, tchr, MI/LD/BD/AU, Winfield Elem
Norita Erwin, tchr, kgtn, Hurricane Town
Tiffany Fellure, tchr, lang arts, Winfield Middle
Stephanie Fitch, tchr, math, Hurricane Middle
Ruth Garrett, attendance coordinator, central office, 220
days
Leslie Greene, tchr, 1st gr, West Teays
Brandy Haid, tchr, SLD/MI, Lakeside
Kelly Harris, tchr, lang arts, Winfield High
Jami Hayes, tchr, 4th/5th grade, Buffalo Elem
Valerie Hughes, tchr, Spanish, Hurricane High
Denise Johnson, tchr, math/foundation of eng, itin
Jodi Johnson, tchr, 2nd grade, West Teays
Laura Lees, tchr, kgtn, Mountain View
Kathleen Lloyd, tchr, gen sci, Poca Middle
Leslie McCray, tchr, math, Winfield Middle
Maureen Miller, tchr, chem/physics, Poca High
Tina Myers, tchr, MI, Poca Middle
Caroline Niebur, tchr, kgtn, West Teays
Berry Phillips, tchr, math, Hurricane High

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10 Mar 10

Stephen Reedy, tchr, soc st, Poca Middle
Christi Reese, tchr, chem/gen sci, Winfield High
W. Dan Rinick, tchr, soc st, Winfield High
Belinda Roberts, tchr, math, Winfield Middle
Sandra Rucker, tchr, math, Poca Middle
Diane Sanders, tchr, Title I, transfer unassigned
Craig Shanholtzer, tchr, math/comp sci, Winfield High
Patricia Tabor, tchr, music, itin
Katherine Thaxton, tchr, lang arts/rdging, GW Middle
David Wandling, tchr, gen sci, GW Middle
Leslie Wood, tchr, Spanish, itinerant

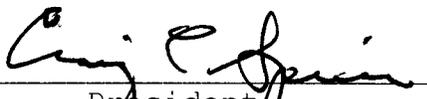
service

Janice Albright, cook b, Winfield El/Buffalo High
Robert Allen, mechanic gl, central office, 261 days
Jeffrey Armstrong, ex ed aide/Braille spec, el, itinerant
Chasta Arthur, ex ed aide bl, Winfield Elem
Scotty Ball, custodian c, Winfield Elem/Winfield Mid, 209
days
Andrea Barr, cook b, Winfield High
Sherman Bennett, custodian c, West Teays Elem
Ashley Bowling, ex ed aide/sign lang spec el, itin
Brian Breck, HVAC/gen maintenance gl, county, 261 days
Rebecca Buck, ex ed aide cl, Winfield High
Tony Buck, custodian c, Winfield Elem, 215 days
Edna Burdette, cook b, Winfield Elem
Stefanie Caldwell, ½ cook b, West Teays Elem
Melissa Cash, sec/acct e, Conner St/Hurricane Town Elem
Teresa Cochran, ½ cook b, Hurricane High
Denzil "Joe" Garnes, bus op dl, Hurricane area
Connie Gibson, kgtn aide bl, West Teays
Teresa Harrah, cook b, Winfield Elem
Stacy Hawkins, ex ed aide d2, GW Middle
Richard James, bus op dl, Poca area
Charles Jenkins, ex ed aide bl, Hurricane Middle
Richard Johnson, custodian c, Winfield High
Michael Kelly, maint/electrician, county, 261 days
Crystal Lawson, sec/acct e, Poca High, 220 days
Michelle Luikart, sec/acct e, Hurricane High
Sharon Lykins, ex ed aide cl, Winfield Elem
Allen Maynard, custodian c, Hurricane High
William Nease, bus op dl, Hurricane area
S.Gene Priddy, aide bl, GW Elem
Chad Sargent, custodian c, Hurricane High
Christopher Saunders, bus op dl, Buff/GW area
Alice Shockley, cook b, Winfield Middle
JoAnne Stover, ½ sec/acct e, Winfield High

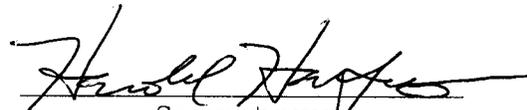
Gloria Thompson, sec/acct e, Winfield High, 220 days
Jeremy Thornton, ex ed aide cl, Lakeside
Martha Turley, library aide/paraprofessional f, Poca Elem
Lois Workman, head cook c, Winfield Elem

Adjournment

Motion by Jack Coyner, seconded by William Legg, that the Board adjourn until March 22, 2010 at 7:00 p.m. at the Board office in Winfield. Motion carried. Vote: 5 ayes 0 nays. The meeting adjourned at 11:15 p.m.



President



Secretary

10 Mar 10
dh

10454

08 June 09

State of West Virginia

County of Putnam, to-wit;

Winfield, West Virginia

The Putnam County Board of Education met in a regular meeting pursuant to WVC 18-5-1c on Monday, June 8, 2009 at 7:00 p.m., at the Board office in Winfield, West Virginia.

Flag Salute

Members present. Dr. Craig Spicer, William Legg, Jack Coyner, Deborah Phillips, Dr. Sam Sentelle and Harold Hatfield, Secretary, were present.

Approval of Minutes

Motion by Jack Coyner, seconded by William Legg, to approve the minutes of the meeting of May 18, 2009 as read. Motion carried. Vote: 5 ayes 0 nays.

Special Presentation

Tudy Bowman presented the Putnam County Board of Education with a Putnam County Schools Minute Book from 1882.

Special Recognition

David Lewis - Outstanding Teacher Awarded by the Air Force
Larry Rollins - Outstanding Teacher Awarded by the Air Force and a recognition award by Ford Motor Company on behalf of AAA.

Delegations

Bond Call

Motion by Jack Coyner, seconded by William Legg, to adopt a bond levy election order as shown below. Motion carried. Vote: 5 ayes 0 nays.

NOTICE OF BOND ELECTION
AUGUST 29, 2009
TO THE VOTERS OF
PUTNAM COUNTY BOARD OF EDUCATION SCHOOL
DISTRICT, STATE OF WEST VIRGINIA

Take notice that the following order was made and entered of record at a regular meeting of the Board of Education of the County of Putnam, a statutory corporation, functioning pursuant to the laws of the State of West Virginia, held on the 8th day of June, 2009, a quorum being present and acting throughout said meeting:

**AN ORDER OF THE BOARD OF EDUCATION
OF THE
COUNTY OF PUTNAM
DIRECTING AN ELECTION TO BE HELD FOR THE PURPOSE OF
SUBMITTING TO THE VOTERS OF PUTNAM COUNTY SCHOOL
DISTRICT
ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT
AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF
FIFTY-SIX MILLION SEVEN HUNDRED FIFTY THOUSAND AND 00/100
DOLLARS
(\$56,750,000.00)**

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

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

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

3. To obtain the necessary funds for the projects hereinafter described, it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, improvement, equipping, and furnishing of such projects. Studies by the Board show that the School District must spend at least the sum of Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00) for such purposes, which would come from the proceeds of the sale of the Bonds and other sources, all for the general purpose of providing adequate, safe and convenient educational facilities for the School District.

4. The valuation of the taxable property in the School District, as shown by the last assessment thereof for State and County taxation purposes, is \$2,650,501,495, and valuation of each class of property within the School District is as follows:

Class I	\$	0
Class II		1,262,149,765
Class III		1,222,671,569
Class IV		<u>165,680,161</u>
Total		\$2,650,501,495

5. The Board and the School District do not have any outstanding bonded indebtedness. The only indebtedness of the School District is for current expenses and can be paid from current levy funds. The maximum bonded indebtedness the Board may incur is five percent (5%) of the total amount shown above or \$132,525,075. Accordingly, Bonds in the amount of \$56,750,000.00, being less than five percent (5%) of the value of such taxable property as ascertained by the last assessment thereof for State and County taxes, may be issued and sold without violating any constitutional or statutory provision.

6. Bonds in the denomination of \$5,000 each, or integral multiples thereof, aggregating \$56,750,000, should be issued and sold, the proceeds of which shall be used for the projects hereinafter described; provided, however, that in the event that any part of the Bond proceeds should not be needed for completion of the projects, such unneeded part shall be deposited with the Municipal Bond Commission of West Virginia to be used solely for the purchase of any Bonds of this issue outstanding at not more than the par value thereof plus accrued interest to date of purchase or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified; and, provided, further, the Board shall have the authority to pay matured interest and the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the Bond proceeds expended for this purpose shall be reimbursed from levy money collected.

7. The question of incurring said debt, issuing said Bonds, and all other questions properly connected therewith shall be submitted to the voters of the School District at a special election to be held on the 29th day of August, 2009, and the commissioners and clerks for holding said election, at each of the legally established voting precincts in Putnam County, shall be those commissioners and clerks designated, appointed and certified by The County Commission of Putnam County, West Virginia in connection with said election.

8. The Bonds shall bear interest at a rate or rates not exceeding the rate of six and 75/100 percent (6.75%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which might result in somewhat lower levy rates needed to pay the Bonds and the interest thereon); and the Bonds shall be payable for a maximum term of fifteen (15) years and six (6) months from their date of issuance.

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

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

Projects	Locations	Costs
<p>Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.</p>	<p>Current Winfield Middle School Property</p>	<p>SBA Grant Funds \$21,745,736</p>
<p>Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.</p>	<p>Current Winfield Elementary School Property</p>	<p>Bond Funds \$788,265</p>
<p>Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.</p>	<p>Current Poca Middle/Elementary School Property</p>	<p>Bond Funds \$21,587,255</p>
<p>Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.</p>	<p>Property currently owned by the Board of Education in the Town of Buffalo</p>	<p>Bond Funds \$20,583,810</p>
<p>Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.</p>	<p>Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.</p>	<p>Bond Funds \$ 8,825,470</p>

Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Hurricane High School Property	Bond Funds \$ 1,542,840
Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Winfield High School Property	Bond Funds \$ 1,542,840
Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.	Current Poca High School Property	Bond Funds \$ 1,879,520
	Total Bond Costs	\$56,750,000

The above amounts consist of an aggregate of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000.00) of bond proceeds. In addition, the Board has obtained grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Twenty-one Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$21,745,736.00), to be received in two (2) installments, being Eleven Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$11,745,736.00) in fiscal year 2010 and Ten Million and 00/100 Dollars (\$10,000,000.00) in fiscal year 2011. The total amounts to be expended by the Board from all sources will be Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00).

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

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

Upon Class I Property approximately	0.00 cents
Upon Class II Property approximately	16.70 cents
Upon Class III Property approximately	33.40 cents
Upon Class IV Property approximately	33.40 cents

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

13. If the debt represented by this Bond issue shall be approved by the voters, such Bonds, together with any other bonded indebtedness incurred under Section 1, Article X, of the Constitution, will not exceed in the aggregate five percent (5%) of the taxable property in the School District ascertained in accordance with Sections 8 and 10, Article X, of the Constitution of this State and will be payable from a direct annual tax levied and collected in each year on all taxable property in said School District, sufficient to pay the principal and interest maturing on said Bonds in each year, which maximum rates are provided for tax levies for school districts on the several classes of property in Section 1, Article X of the Constitution, but in the same proportions as such maximum rates are levied outside the limits fixed by Section 1, Article X of the Constitution.

14. If the debt and Bonds submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment", and the enabling legislation enacted by the Legislature of West Virginia Regular Session, 1951, amending and reenacting Sections 3 and 4, Article 1, Chapter 13 of the Code, and the enabling legislation enacted by the Legislature of West Virginia, Regular Session, 1959, amending and reenacting Section 4 and adding Section 34, Article 1, Chapter 13 of the Code, levies hereinbefore provided will not violate any constitutional or statutory provisions of this State establishing maximum levies, said levies herein provided shall be levied and allocated each year for the purposes of discharging the interest and principal of the Bonds to be authorized, and for such purposes shall be laid separate and apart from all other levies made for all other purposes of the School District, and the Board does further find that after laying and allocating said special levies for payment of principal and interest requirements of said Bonds, there will be, out of the levies authorized by law and apportioned for current expenses, a sufficient levy authorized by law which, when added

to other income, will be sufficient to carry out the proper requisite functions of said Board and of said School District.

BE IT FURTHER ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM AS FOLLOWS:

After careful study and due deliberation, the Board finds that available funds are insufficient for the payment of general current expenses and for correcting deficiencies in school building facilities. Wherefore, the Board orders the submission to the voters of Putnam County, at a special election to be held on Saturday, August 29, 2009, the question of whether the Board should incur debt and issue Bonds in the sum of \$56,750,000.00 for the purposes set forth in this order.

1. The schedule of commissioners, clerks and poll workers which are designated, appointed and certified for the purpose of a special, primary or general election shall be the same commissioners, clerks and poll workers which are designated, appointed and certified by The County Commission of Putnam County, West Virginia, in connection with the special election to be held on Saturday, August 29, 2009. Such commissioners, clerks and poll workers shall be identified in an Amended Order to be approved by the Board when their names become available.

2. Notice of this question shall be given by publication of this order at least once each week for two (2) successive weeks before the election and within fourteen (14) consecutive days next preceding the election in the *Metro Putnam* and *Hurricane Breeze*, which are newspapers of general circulation in the School District.

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

OFFICIAL BALLOT
PUTNAM COUNTY BOARD OF EDUCATION
SCHOOL BOND ELECTION
SATURDAY, AUGUST 29, 2009

"Shall the Board of Education of the County of Putnam incur debt and issue bonds in the amount of \$56,750,000.00, maturities on such bonds to run not more than fifteen (15) years and six (6) months from the date of such bonds, with interest not exceeding the rate of six and 75/100 percent (6.75%) per annum, payable semiannually, subject to redemption prior to maturity, in whole or in part, on terms established by the Board, for the purpose of constructing, enlarging, extending, reconstructing, improving, furnishing, equipping, consolidating and/or relocating of the projects described below, all for the general purpose of providing adequate, safe and convenient facilities for the Putnam County School District:

Projects	Locations	Costs
<p>Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.</p>	<p>Current Winfield Middle School Property</p>	<p>SBA Grant Funds \$21,745,736</p>
<p>Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.</p>	<p>Current Winfield Elementary School Property</p>	<p>Bond Funds \$788,265</p>
<p>Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.</p>	<p>Current Poca Middle/Elementary School Property</p>	<p>Bond Funds \$21,587,255</p>
<p>Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.</p>	<p>Property currently owned by the Board of Education in the Town of Buffalo</p>	<p>Bond Funds \$20,583,810</p>
<p>Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.</p>	<p>Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.</p>	<p>Bond Funds \$ 8,825,470</p>
<p>Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	<p>Current Hurricane High School Property</p>	<p>Bond Funds \$ 1,542,840</p>
<p>Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	<p>Current Winfield High School Property</p>	<p>Bond Funds \$ 1,542,840</p>

<p>Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.</p>	<p>Current Poca High School Property</p>	<p>Bond Funds \$ 1,879,520</p>
<p>Total Bond Costs</p>		<p>\$56,750,000</p>

The above amounts consist of an aggregate of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000.00) of bond proceeds. In addition, the Board has obtained grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Twenty-one Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$21,745,736.00), to be received in two (2) installments, being Eleven Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$11,745,736.00) in fiscal year 2010 and Ten Million and 00/100 Dollars (\$10,000,000.00) in fiscal year 2011. The total amounts to be expended by the Board from all sources will be Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00).

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

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

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

INSTRUCTIONS TO VOTERS:

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

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

FOR THE PROPOSITION

AGAINST THE PROPOSITION

4. The Secretary of the Board with the assistance of the Clerk of the County Commission, which Clerk is hereby designated and appointed as agent of this Board for this election, are hereby authorized and directed to procure and furnish to the election commissioners at each voting precinct, insofar as practicable, the ballots, poll books, tally sheets and other things necessary for conducting the election, as provided by Chapter 13, Article 1, Section 11 of the Code, and perform all duties imposed by law upon Clerk of the County Commission in relation to special, primary and general elections, and in accordance with Chapter 13, Article 1, Section 13 of the Code.

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

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

Adopted on the 8th day of June, 2009.

THE BOARD OF EDUCATION OF THE
COUNTY OF PUTNAM

ATTEST:

By: _____
President

Secretary

Given under my hand this 8th day of June, 2009.

Secretary of the Board of
Education of the County of Putnam

Old Business

New Business

1. Budget amendments. Motion by William Legg, seconded by Jack Coyner, to approve budget transfers and supplements as shown subject to approval by the West Virginia Department of Education. Motion carried. Vote: 5 ayes 0 nays.

108,095,151.20	Total operating budget May 18, 2009
5,000.00	Poca Elementary - Computer Software
4,926.00	Poca High School - Tobacco Control
756.00	West Teays - Oral Health Project
3,000.00	Int'l Society for Technology in Education
200.00	Hurricane High - YRBS/YTS Survey
7,500.00	Vocational - 2009 Nat'l Pro Start
7,400.00	Poca High PBL Model School Project
1,800.00	Beginning/Mentor Principal Program
18,600.00	Beginning/Mentor Teacher Program
165.93	Arts Alive 2009 Showcase
20,040.00	High Acuity Health Needs
100,000.00	Increased Enrollment
61,146.00	Increased Enrollment/Suddenlink
(1,149,587.00)	Capital Projects
483,417.00	Capital Projects
107,659,515.13	Total operating budget June 8, 2009
	internal transfers:
747.14	Title III
5,142.97	Budget Digest Money
814,970.00	Capital Projects
25,453.44	SBA - Eastbrook
37.26	Hurricane High - Soccer
7,765.10	Special Education
3,728.03	County Entitlement - Special Education

2. Sidewalk and Site Drainage. Motion by Jack Coyner, seconded by William Legg, to approve the sidewalk and site drainage at Lakeside Elementary School by J.M. Steorts & Associates in the amount of \$73,915.00. Motion carried. Vote: 5 ayes 0 nays.

Executive Session

Motion by William Legg, seconded by Jack Coyner, to enter executive session to discuss personnel matters as provided by WVC 6-9A-4. Motion carried. Vote: 5 ayes 0 nays.

The Board entered into executive session at 7:34 p.m. and returned at 8:04 p.m. Motion by Jack Coyner, seconded by Deborah Phillips, to leave executive session. Motion carried. Vote: 5 ayes 0 nays.

Personnel

1. Resignations. Motion by William Legg, seconded by Jack Coyner, to approve the following resignations. Motion carried. Vote: 5 ayes 0 nays.

<u>professional</u>	<u>location, job, date</u>
Cathy Birdsall	West Teays, tchr, 3 rd gr (P482), 200 days, 27 July 09 (retirement)
Nancy Davison	Buffalo Elem, tchr, 5 th gr (P175), 200 days, 2 July 09
Kimberly Hatfield	Poca High, tchr, SLD/MI resource (P1467MED), 01 July 09
Carla Warren	Conner Street, tchr, 2 nd gr (P1367), 200 days, 30 June 09

summer professional

Karen Campbell	Winfield Elem, tchr, autism, extended school, as needed, 04 June 09
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extracurricular

Kelly Blankenship	Winfield Middle, volleyball, 04 June 09
Cathy Birdsall	West Teays, ext day tutor, 8 June 09
James Clendenin	GW Middle, asst baseball, 30 June 09
Rachel Hull	Buffalo Elem, Sys Op, 30 June 09
Jackie Jacobs	Hurricane Middle, asst cheerleading, 02 June 09
Elizabeth Kingery	Poca High, newspaper sponsor, 07 May 09
Paul Sowards	Winfield Middle, asst cross country, 2 June 09
Carla Warren	Conner Street, Sys Op, 30 June 09
Carla Warren	Conner Street, national board mentor, 30 June 09
Claudia Wrigley	Winfield/Confidence Elem, choral director, 30 June 09

service

Harvey Barker	Mountain View, custodian (S1525), 206 days, 30 June 09
Terry McKinney	county, sub custodian, 20 Aug 09
Timothy McKinney	county, sub custodian, 20 Aug 09

2. Employment and assignments. Motion by Jack Coyner, seconded by William Legg, upon recommendation of the Superintendent, to approve the following employment and assignments (pending clearance and certification). Motion carried. Vote: 5 ayes 0 nays.

10466
08 June 09

<u>professional</u>	<u>location, job, date</u>
Ruth Garrett	county, coordinator of attendance (P1606), 2009-10 sch yr, 220 days (427)
Sherri Lyons	Winfield Elem, tchr, 3 rd gr (P1556), 200 days, 21 Aug 09 (553)
Belinda Roberts	Winfield Middle, tchr, math (P764), 200 days, 21 Aug 09 (472)
<u>substitute teacher</u>	as needed, 09-10 sch yr
Whitney Allen	Cathy Birdsall Malicy Black
Carolyn Bowles	Victoria Bellino Joan Casto
Arnold Chapman	Kathy Chadwell Charles Clark
George Cobble	Judy Cobble Erica Dixon
Alice Draughon	Amber Dunn Richard Dunlap
Paula Durham	Flora Francis Rena Good
Kris Hall	Judy Hamilton Sally Hazlett
Tara Hinkle	Linda Hughes Mary Igo
Jane Johnson	Erasmi Larson Chastity Lies
Mary Kuhl	Ramona Lockwood Rebecca Marcantel
Crystal Mashayekhi	Peggy Melton Allen Messinger
Patricia Miller	Christopher Nestor Laura Oshel
Ranee' Phelps	Jean Pitzer Angela Reedy
Christina Rinick	Carrie Shamblin Romilda Smith
Danielle Spencer	Vickie Stapleton Amber Stover
Sandra Vargo	Paulette Williams
<u>extracurricular</u>	
Timothy Bailey	Poca Middle, girls' bsktball, 2009-10 (569)
Kerry Casto	Poca High, asst softball, 2009-10 (571)
James Clendenin	GW Middle, baseball, 2009-10 (560)
Jeff Haught	Winfield High, dept head, fine arts, 2009-10 (444)
Jackie Jacobs	Hurricane High, cheerleading, 2009-10 (482)
Stephanie Naylor Burks	Winfield Elem, SAP coordinator, 2009-10 sch yr (558)
Jackie Scott	GW Middle, softball, 2009-10 (562)
David Skeens	Poca High, softball, 2009-10 (570)
Paul Sowards	Buffalo High, alternate tutor/ facilitator, credit recovery tchr, 2009-10 (567)
<u>summer professional</u>	
Susan Bowles	Winfield Elem, tchr, autism, extended school, June 18-July 23, as needed (557)
Keith Childers	GW Middle, summer acad, tchr, sci, as needed, July 10-24 (533)

Sherry Craigo	summer Jump Start prog, tchr, as needed, July 6-17 (545)
Peggy Deweese	summer Jump Start prog, tchr, as needed, July 6-17 (545)
Norita Erwin	transitional kgtn, July 6-24, as needed (517)
Dovetta Harless	Hurricane Middle, summer acad, tchr, art, as needed, June 18-July 3 (540)
Donna Jordan	Hurricane Middle, summer acad, tchr, drama, as needed, June 18-July 3 (543)
Sara Linville	GW Middle, summer acad, tchr, computers, as needed, July 10-24 (532)
Jana McGinnis	Hurricane Middle, summer acad, tchr, honors math, June 18-July 3, as needed (531)
Leah McKinney	Hurricane Middle, summer acad, tchr, challenge rdging, June 18-July 3, as needed (535)
Lisa Polen	Winfield Elem, tchr, autism, extended school, June 18-July 23, as needed (557)
Lisa Raines	Hurricane Middle, summer acad, tchr, challenge math, as needed, June 18-July 3 (536)
Kathryn Stalnaker	GW Middle, summer acad, tchr, sci, as needed, July 10-24 (533)
Tatum Templeton	Winfield Elem, tchr, autism, extended school, June 18-July 23, as needed (557)

service

Harvey Barker Jr.	county, sub custodian, 2009-10 sch yr, as needed
Robert Flippin	county, sub custodian, 2009-10 sch yr, as needed
Cecil Hanna	county, sub maintenance, 2009-10 sch yr, as needed
Frank Hanson	central office, HVAC/general maintenance gl (S1612), 261 days, 22 June 09 (453)
Timothy McKinney	Winfield Elem, aide bl (S572), male, (ex ed), 21 Aug 09 (573)
Terry McKinney	Poca Middle, aide bl (S1418FEDPSED), male, (ex ed), 21 Aug 09 (486)
Melissa Pennington	county, sub cook, 2009-10 sch yr, as needed

M. Irene Sanders	county, sub sec/acct, 2009-10 sch yr, as needed
Angela Triplett	county, sub sec/acct, 2009-10 sch yr, as needed
<u>summer service</u>	
Teddy Black	custodian, temp summer work, as needed (499)
Gary Bowles	summer bus restoration & repair, as needed, 06 July 09 (492)
Scott Casto	summer painter/gen maintenance, as needed, 06 July 09 (495)
Melissa Connett	cook, summer feeding program, as needed (493)
N. Allen Craig	Poca High, ½ day custodian, middle/adol summer school, Poca High, as needed, June 16-July 31
Marshall Hanger	bus op, tri-county YMCA summer camp, as needed per schedule (576)
Kelly Sowards	bus op, Lighthouse Baptist summer prog, as needed per schedule (578)

3. Transfers and changes. Motion by William Legg, seconded by Deborah Phillips, upon recommendation of the Superintendent, to approve the following transfers and changes. Motion carried. Vote: 5 ayes 0 nays.

<u>professional</u>	<u>to job, date, from, posting</u>
Kelly Allen	Hurricane High, tchr, soc st (P1621), 200 days, 21 Aug 09, Hurricane High, ½ day tchr, soc st (P1461), 200 days (555)
LeeAnn Barnett	Confidence, tchr, 4 th gr (P195), 200 days, 21 Aug 09, Winfield Elem, tchr, 3 rd gr (P545), 200 days (549)
Janetta Burdette	Buffalo Elem, tchr, 4 th gr (P180), 200 days, 21 Aug 09, Scott Teays, tchr, 4 th gr (P1597), 200 days (548)
Darlana Cain	GW Elem, tchr, music (P1620), 200 days, 21 Aug 09, Winfield Elem, tchr, music (P540), 200 days (552)
Sue Clark	Conner Street, tchr, kgtn (P226), 200 days, 21 Aug 09, Lakeside, tchr, kgtn (P353), 200 days (551)

<u>service</u>	
Devin Oxley	Hurricane Middle, ½ time cook b (S698), 200 days, 21 Aug 09, Winfield High, ½ time cook b (S1445), 200 days (574)
Sherry Ricks	Hurricane area, bus op d1 (S1353), bus

#2803, 200 days, 21 Aug 09, Winfield area, bus op dl (S145), bus #990, 200 days (575)

summer service

Wendy Craigo

bus op, extended sch yr, June 18-July 23, as needed, summer painter/gen maintenance as needed (509)

Debbie Lett

bus op, (Latchkey Ministries), as needed per schedule, summer painter/gen maintenance, as needed (577)

Kelli Skeens

summer painter/gen maintenance, as needed, 06 July 09, ½ day custodian, transitional kgtn, as needed, July 6-24 (495)

4. Abolish position. Motion by Jack Coyner, seconded by William Legg, upon recommendation of the Superintendent, to abolish the position as shown below. Motion carried. Vote: 5 ayes 0 nays.

professional

tchr, 1, SLD/MI, Poca High (P1467MED)

service

HVAC/general maintenance (S42), central office, 30 June 09, 261 days

5. Create positions. Motion by Jack Coyner, seconded by William Legg, to create positions as shown below. Motion carried. Vote: 5 ayes 0 nays.

professional

½ time tchr, SLD/MI, Poca High (P1623MED), 200 days

summer professional

tchr, BD, extended school yr prog, June 22-July 23, as needed

nurse, summer academy, Hurricane Middle School, June 18 - July 3, as needed

service

plumber/heavy equip/gen maintenance (1), central office, (S1622), 261 days

6. Contracted Summer Services. Motion by Jack Coyner, seconded by William Legg, to authorize services as needed as shown below at the established rates. Motion carried. Vote: 5 ayes 0 nays.

name

Jamie Anderson

job, date

instructor, dance, summer stud academy, as needed

Whitney Eskew	instructor, pottery, summer stud academy, as needed
David Gould	occupational therapist, extended sch, June 18-July 23, as needed
Amanda Hackney	sign lang interpreter, extended sch, June 23-July 23, as needed
Renee' Margocce	instructor, pottery, summer stud academy, as needed
Susan Maslowski	instructor, pottery, summer stud academy, as needed

General Business

Consent agenda

Motion by William Legg, seconded by Jack Coyner, to approve the following consent agenda items. Motion carried. Vote: 5 ayes 0 nays.

1. Use of facilities. The following requests for use of facilities are presented for Board review.

<u>facility</u>	<u>activity, organization, sponsor, date</u>
PCTC	class, ACDS Program, Byus, 18 Aug 09 (2009-2010 school term-Tuesday evenings)
West Teays Elem.	cheerleading practice, HMFL, Benincasa, 01 Sept - 30 Oct 09
Winfield High	adult baseball, WB Men's Senior League, Phillips/Shaffer, 01 June - 01 Aug. 09

2. Requests for trips. The following overnight or out-of-state trips are presented for Board review.

<u>school/group</u>	<u>transportation, destination, date</u>
Hurricane High	airlines, Washington, D.C., 20-26 July 09
PCTC	charter bus, Kansas City, MO, 22-26 June 09

3. Purchase orders. The following purchase orders are presented for Board review.

<u>Company</u>	<u>PO No.</u>	<u>Amount</u>
Parkline, Inc.	4675	363,190.00

4. Bills and invoices. Bills and invoices have been paid by the Treasurer per prior authorization of the Board in the amount of \$1,198,064.75.

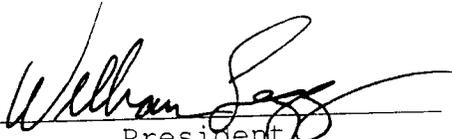
5. Volunteer coaches. Pending clearance, the following individuals are recommended to serve as volunteer coaches.

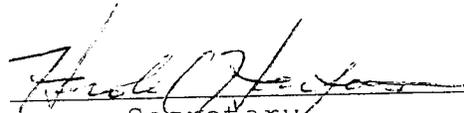
<u>name</u>	<u>location, sport, date</u>
Pat Clark	WHS/Football 2009-10

Discussion

Adjournment

Motion by Jack Coyner, seconded by William Legg, that the Board adjourn until June 29, 2009 at 7:00 p.m. at the Board office in Winfield. Motion carried. Vote: 5 ayes 0 nays. The meeting adjourned at 8:07 p.m.


President


Secretary

08 June 09
dh

State of West Virginia
County of Putnam, to-wit;

Winfield, West Virginia

The Putnam County Board of Education met in a regular meeting pursuant to WVC 18-5-1c on Monday, July 6, 2009 at 7:00 p.m., at the Board office in Winfield, West Virginia.

Flag Salute

Members present. Dr. Craig Spicer, William Legg, Jack Coyner, Deborah Phillips, Dr. Sam Sentelle and Harold Hatfield, Secretary, were present.

Approval of Minutes

Motion by Jack Coyner, seconded by William Legg, to approve the minutes of the meeting of June 29, 2009 as read. Motion carried. Vote: 5 ayes 0 nays.

Delegations

John R. Wilson, Jr., President of The Community Schools Coalition to Catch Up, is in support of the upcoming bond.

Bob Peters is working in the Poca area in support of the bond.

Old Business

New Business

1. Budget amendments. Motion by Jack Coyner, seconded by William Legg, to approve budget transfers and supplements as shown subject to approval by the West Virginia Department of Education. Motion carried. Vote: 5 ayes 0 nays.

108,319,909.13	Total operating budget June 29, 2009
6,000.00	Foreign Student Education
293,492.58	Medicaid
68,272.36	Adult Education - Local
392.00	Local Projects - Computers
20,347.35	Bus Replacement
1,798.42	Tech Prep Money
534.19	Matching Funds for Schools
672,305.62	Utilities
4,905.00	Early Notification Bonus
109,387,956.65	Total operating budget June 30, 2009
	internal transfers:
78,440.09	Adult Education - Local
40,722.57	Special Education - County Entitlement
350,734.48	Special Education - IDEA Part B County Ent.

1,427.45	Special Education - Preschool Incentive
1,019.05	Media - Library Service
321.58	Title I - Basic Grant
3,547.76	Out-of-County Instruction
47,252.58	Alternative Education Programs
30,656.98	Medicaid
2,992.99	HHS Football/Soccer
37,912.23	Vocational - Carl Perkins
2,910.98	WHS Soccer Alliance
20,591.82	Enhancing Education Through Technology
6,099.44	Vocational - Secondary - Formula
2,770.74	Energy/Safety Management
1,264.31	Matching Funds for Schools
973,440.81	Summer Projects

2. Approval of Poll Workers for Bond Levy Election.
Motion by Jack Coyner, seconded by William Legg to approve, upon recommendation of the Putnam County Democrat Executive Committee and the Putnam County Republican Executive Committee, the Putnam County Board of Education does hereby ORDER that the attached list of poll workers received from the Democrat and Republican Executive Committees be named Election Officials for the purpose of conducting the School Bond Election to be held on August 29, 2009. Motion carried.
Vote: 5 ayes 0 nays.

ELECTION WORKERS FOR AUGUST 29, 2009, SCHOOL BOND ELECTION

MAGISTERIAL DISTRICT I

Executive Committee District I-A

Precinct Number 1 - Buffalo Town

Commissioners: Deborah Nease, P. O. Box 536, Buffalo, WV 25033
Betty Casto, 1482 Jim Ridge Road, Leon, WV 25123
Jo Ellen Higginbotham, Route 1, Box 188, Buffalo, WV 25033
Clerks: Travis Stone, 457 Turkey Branch Road, Leon, WV 25123
Ann Chapman, P. O. Box 364, Buffalo, WV 25033

Precinct Number 2 - White Star

Commissioners: Debora Martin, Route 2, Box 3110 Buffalo Road, Buffalo, WV 25033
Vada Raynes, Route 1, Box 277, Buffalo, WV 25033
Freedra Young, Route 1, Box 201, Buffalo, WV 25033
Clerks: Virginia Fay Young, Route 1, Box 277-A, Buffalo, WV 25033
Mary Pat Holley, 1626 18 Mile Creek, Buffalo, WV 25033

Precinct Number 4 - Midway

Commissioners: Shelia Pitchford, Route 2, Box 220AA, Red House, WV 25168
Barbara Hudson, Route 2, Box 202, Red House, WV 25168
Leona Noffsinger, Route 2, Box 224, Red House, WV 25168

Clerks: Merrill Jividen, Route 2, Box 220, Red House, WV 25168
N. Christine Toney, P. O. Box 323, Eleanor, WV 25070

Precinct Number 30 – Pliny/Fraziers Bottom

Commissioners: Lois Hedrick, Box 202 Fairview Road, Fraziers Bottom, WV 25082
Patty Ashworth, 73 Cash Lane, Winfield, WV 25213
Louise Sheets, 12 4th Street, Winfield, WV 25213

Clerks: Sandra Brown, 49 5 & 20 Mile Road, Fraziers Bottom, WV 25082
Beverly Stanley, P. O. Box 981, Eleanor, WV 25070

Precinct Number 34 – Red House

Commissioners: Violet Lyons, P. O. Box 165, Eleanor, WV 25070
Betty Gilson, Route 1, Box 7A, Red House, WV 25168
Maxine Witt, Route 1, Box 101, Red House, WV 25168

Clerks: Jo Rea Warner, Route 1, Box 103B, Red House, WV 25168
Gloria Casto, Route 1, Box 115, Red House, WV 25168

Precinct Number 35 – New Jersey

Commissioners: Janet Cain, Route 1, Box 233A, Given, WV 25245
Margaret Jividen, Route 1, Box 159, Liberty, WV 25124
Lorene Cobb, Route 1, Box 154, Liberty, WV 25124

Clerks: Loretta Winterstein, 3386 Manilla Road, Leon, WV 25123
Mary Scott, 313 Spring Branch Road, Leon, WV 25123

Precinct Number 36 – Clendenin

Commissioners: Lola Ruth Reed, Route 1, Box 60, Liberty, WV 25124
Nadine Harrison, Route 1, Box 196B, Poca, WV 25159
Helen J. Bailey, Route 1, Box 273, Liberty, WV 25124

Clerks: Mae Goldizen, Route 1, Box 85, Liberty, WV 25124
Georgia Bowling, Route 1, Box 66, Liberty, WV 25124

Precinct Number 38 – Grandview

Commissioners: Shelley Trador, HC 63, Box 181, Red House, WV 25168
Deloris Harrison, Route 1, Box 125A, Red House, WV 25168
Lenore Perkins, 668 Ohio Apex Road, Buffalo, WV 25033

Clerks: Nancy Hull, Route 1, Box 117-A, Red House, WV 25168
Anne Riffie, 6578 McLane Pike, Red House, WV 25168

Precinct Number 40 – Eleanor

Commissioners: Janet Williams, P. O. Box 258, Eleanor, WV 25070
Nicholas Brewer, P. O. Box 875, Eleanor, WV 25070
Sebert Witt, Route 1, Box 101, Red House, WV 25168

Clerks: Patricia Brewer, P. O. Box 875, Eleanor, WV 25070
Barbara Kosa, P. O. Box 84, Eleanor, WV 25070

Executive Committee District I-B

Precinct Number 15 – Raymond City

Commissioners: Marcia Ramsey, P. O. Box 1000, Hurricane, WV 25526
Janice Mooney, 112 Poplar Point Est., Poca, WV 25159
Faye Cartwright, Route 1, Box 73, Poca, WV 25159

Clerks: Jody Legg, 24 Evergreen Circle, Poca, WV 25159
Shirley Estep, 157 Pine Drive, Poca, WV 25159

Precinct Number 16-1 – Poca Town (A-K)

Commissioners: Phyllis Barnett, 117 Poplar Point Est., Poca, WV 25159
Mary K. Ranson, 116 Poplar Point Est., Poca, WV 25159

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06 July 09

Clerks: Johnie P. Brown, P. O. Box 158, Poca, WV 25159
Helen Cottrell, 110 Poplar Point Est., Poca, WV 25159
Naomi Morris, 107 Dodd Street, Poca, WV 25159

Precinct Number 16-2 – Poca Town (L-Z)

Commissioners: Henrietta Rhodes, Route 1, Box 69H, Poca, WV 25159
Jo Ann Mendenhall, P. O. Box 39, Poca, WV 25159
John D. Wright, P. O. Box 1321, Eleanor, WV 25070
Clerks: Stephen E. Rhodes, P. O. Box 273, Bancroft, WV 25011
Connie Reddington, P. O. Box 754, Poca, WV 25159

Precinct Number 17 – Confidence

Commissioners: Sharon Hedrick, Route 1, Box 193, Liberty, WV 25124
Patricia Stone, 20 Black Betsy Bottom Road, Poca, WV 25159
Mary Kinser, Route 1, Box 274, Liberty, WV 25124
Clerks: Phyllis Craigo, Route 1, Box 128, Liberty, WV 25124
Evon Miller, Route 1, Box 109AA, Liberty, WV 25124

Precinct Number 18 – Bancroft

Commissioners: Carol Harper, 14 Margaret Street, Poca, WV 25159
Jessica Musick, 3806 38th Street, Nitro, WV 25143
Patricia King, P. O. Box 224, Bancroft, WV 25011
Clerks: Judy Bailey, 105 Riverview Drive, Poca, WV 25159
Debbie Arthur, P. O. Box 214, Bancroft, WV 25011

Precinct Number 19 – Lett/Heizer

Commissioners: Thermal Cook, Route 1, Box 181A, Poca, WV 25159
Sharon Bailey, Route 1, Box 163, Poca, WV 25159
Maxine Bailey, P. O. Box 955, Poca, WV 25159
Clerks: Barbara Price, Route 1, Box 183C, Poca, WV 25159
Carol Payne, Route 1, Box 176, Poca, WV 25159

Precinct Number 21 – Harmons Creek

Commissioners: Patricia Dawn Smith, 2252 Poca River Road N, Poca, WV 25159
Dempsey Barnett, 117 Poplar Point Est., Poca, WV 25159
Maxie Bailey, 1908 Poca River Road N, Poca, WV 25159
Clerks: Linda D. Thomas, 2302 S Poca River Road, Poca, WV 25159
Earlene Bailey, 1908 Poca River Road N, Poca, WV 25159

Precinct Number 23 – Rock Branch

Commissioners: Richard Kiddy, 212-B Woodland Drive, Nitro, WV 25143
Martha Pfundheller, 7 Houston Street, Nitro, WV 25143
Eileen Deal, 252 Harmons Creek Road, Poca, WV 25159
Clerks: Barbara Fronk, P. O. Box 525, Winfield, WV 25213
Susana Wright, P. O. Box 1321, Eleanor, WV 25070

Precinct Number 37 – Hometown

Commissioners: Charlotte Buoy, P. O. Box 273, Hometown, WV 25109
Brenda Landers, 102 Riverview Drive, Poca, WV 25159
Nancy Vance, P. O. Box 178, Hometown, WV 25109
Clerks: Dorothy A. Null, 100 Winfield Ave., Apt. 18, Winfield, WV 25213
Sandra Sullivan, P. O. Box 62, Hometown, WV 25109

MAGISTERIAL DISTRICT II

Executive Committee District II-A

Precinct Number 10 – Chestnut Grove/Keyser Heights

Commissioners: Denise King, 147 Winners Circle, Hurricane, WV 25526
Deloris Rooper, 110 Winners Circle, Hurricane, WV 25526
Constance McDowell, 336 Belvue Drive, Hurricane, WV 25526

Clerks: Gary King, 147 Winners Circle, Hurricane, WV 25526
Judy Mercer, Route 3, Box 241, Hurricane, WV 25526

Precinct Number 22 – Nitro Town

Commissioners: Alice Shafer, 3509 35th Street, Nitro, WV 25143
Robert S. Bird, P. O. Box 113, Poca, WV 25159
Monoka Brogan, 121 Bailes Drive, Nitro, WV 25143

Clerks: Randal Tidd, 118 Winchester Drive, Culloden, WV 25510
Hazel Thornton, 142A Poplar Drive, Scott Depot, WV 25560

Precinct Number 24 – Fletcher

Commissioners: Marcia Adams, 20 Meadow Wood Estates, Scott Depot, WV 25560
Charles Eshenaur, 125 Westland Estates, Winfield, WV 25213
Shelva Pate, 206 Poplar Fork Road, Scott Depot, WV 25560

Clerks: Hunt Tidd, 118 Winchester Drive, Culloden, WV 25510
Kenneth Nester, 9 Saunders Addition, Scott Depot, WV 25560

Precinct Number 25-1 – Maplewood (A-J)

Commissioners: Keith Childers, 336 E. Maplewood Estates, Scott Depot, WV 25560
Dorsey Ashworth, Route 3, Box 202, Hurricane, WV 25526
Brenda Perry, 239 Teays Lane, Hurricane, WV 25526

Clerks: Carolyn T. Bowles, 42 Hillsdale Circle, Scott Depot, WV 25560
Mary C. Risk, 737 Overlook Drive, Hurricane, WV 25526

Precinct Number 25-2 – Maplewood (K-Z)

Commissioners: Jack McLane, P. O. Box 346, Eleanor, WV 25070
Eva Ashworth, Route 3, Box 202, Hurricane, WV 25526
Vicki Crawford, 128 Hidden Valley Estates, Scott Depot, WV 25560

Clerks: Osa Alveta Tribble, 173 Crooked Creek, Scott Depot, WV 25560
Peggy Sias, 3004 Sussex Way, Hurricane, WV 25526

Precinct Number 27-1 – Scott (A-L)

Commissioners: Doris Dunlap, 1 Michael Street, Scott Depot, WV 25560
Jacqueline Childers, 4913 Teays Valley Road, Scott Depot, WV 25560
Marilyn Prince, 110 White Cedar Drive, Scott Depot, WV 25560

Clerks: John Goodwin, 4118 Teays Valley Road, Apt. #21, Scott Depot, WV 25560
Carolyn McCallister, 104 Ches-Wal Road, Scott Depot, WV 25560

Precinct Number 27-2 – Scott (M-Z)

Commissioners: John Addington, 12 Charlotte Lane, Scott Depot, WV 25560
Emma Addington, 12 Charlotte Lane, Scott Depot, WV 25560
Wanda Miller, 350 Teays Lane, Lot 8, Hurricane, WV 25526

Clerks: Susan Amos, 3519 Wellington Drive, Hurricane, WV 25526
Tina Shingleton, 350 Teays Lane, Lot 16, Hurricane, WV 25526

Precinct Number 47 – Scary Creek

Commissioners: Jean Shannon, 16 Carol Drive, Hurricane, WV 25526
Mary Pauley, P. O. Box 818, Hurricane, WV 25526

Clerks: Jennifer Rooper, 3 Shady Vale, Scott Depot, WV 25560
Sharon Oldham, P. O. Box 1012, Hurricane, WV 25526
Debra Hodges, Route 2, Box 305, Red House, WV 25168

Precinct Number 48 – Vintroux

Commissioners: Roy Stone, 20 Black Betsy Bottom Road, Poca, WV 25159
Rayne Duttine, 246 Irene Circle, Hurricane, WV 25526
William S. Walker, 664 Rocky Step Road, Winfield, WV 25213
Clerks: Sydney Naseef, 84 Hammock Oak Court, Scott Depot, WV 25560
Jeff Burdette, 307 Shetland Drive, Scott Depot, WV 25560

Executive Committee District II-B

Precinct Number 26-1 – Winfield Town (A-K)

Commissioners: Jackie Hunter, 13 Valley Street, Winfield, WV 25213
Sherry Searls, 1326 US 35 N, Fraziers Bottom, WV 25082
Charlotte Johnson, 2 Tiara Court, Hurricane, WV 25526
Clerks: Joy Platte, 8 Hawthorn Drive, Winfield, WV 25213
James K. Campbell, 1462 Cross Creek Road, Buffalo, WV 25033

Precinct Number 26-2 – Winfield Town (L-Z)

Commissioners: Mike Hunter, 13 Valley Street, Winfield, WV 25213
Janice Wright, P. O. Box 93, Winfield, WV 25213
Hazel Sturgeon, 6110 State Route 34, Winfield, WV 25213
Clerks: Donna Rorabaugh, 3245 Winfield Road, Apt. 311, Winfield, WV 25213
Carsie Moore, 10 Moore Lane, Winfield, WV 25213

Precinct Number 28-1 – Bills Creek (A-L)

Commissioners: Dwight Pauley, 108 Laurel Ridge Road, Scott Depot, WV 25560
James Pritt, 184 Cannery Lane, Winfield, WV 25213
William Dempsey, III, 239 Teays Lane, Hurricane, WV 25526
Clerks: Jennifer Reynolds, 116 Heritage Place, Scott Depot, WV 25560
Kerry Casto, Route 1, Box 38-A, Liberty, WV 25124

Precinct Number 28-2 – Bills Creek (M-Z)

Commissioners: Fernando Carrasco, Jr., 3245 Winfield Road, Apt. 216, Winfield, WV 25213
Noca Marshall, 5995 State Route 34, Winfield, WV 25213
Devona Casto, RR 1 Box 38A, Liberty, WV 25124
Clerks: Tammy Clark, 201 Blue Lick Road, Winfield, WV 25213
Judy McCoy, 104 Rustic Highlands, Hurricane, WV 25526

Precinct Number 32 – Hodges

Commissioners: Cindy Call, Route 4, Box 97, Hurricane, WV 25526
Amy Varney, 28 Deer Valley Drive, Hurricane, WV 25526
Joseph Varney, 28 Deer Valley Drive, Hurricane, WV 25526
Clerks: Allen Maynard, 2628 Virginia Avenue, Hurricane, WV 25526
Tyler R. Wilson, 102 McClure Drive, Scott Depot, WV 25560

Precinct Number 33-1 – Valley (A-K)

Commissioners: Sandy Murriner, Route 3, Box 186D, Hurricane, WV 25526
Clair Robinson, 300 Dawn Street, Scott Depot, WV 25560
Amie Justice, 1035 Marina Drive, Hurricane, WV 25526
Clerks: Shirley Searls, 4470 State Route 34, Winfield, WV 25213
Christine Shabdue, Route 1, Box 172C, Liberty, WV 25124

Precinct Number 33-2 – Valley (L-Z)

Commissioners: Edward Murriner, Route 3, Box 186D, Hurricane, WV 25526
Madeline Robinson, 300 Dawn Street, Scott Depot, WV 25560
Deborah Matheny, 35 Lynn Lane, Scott Depot, WV 25560
Clerks: Hannah Hage-Johnson, 2759 5th Street, Hurricane, WV 25526
Michele Kuhn, 2758 Fifth Street, Hurricane, WV 25526

Precinct Number 41 – Interchange

Commissioners: Faye Jividen, 115 Church Camp Road, Hurricane, WV 25526
Lola Burford, 177 Woodland Forest, Winfield, WV 25213
Linda Hedrick, Route 1, Box 199, Poca, WV 25159
Clerks: Eugene Blake, 103 Lynn Knolls, Scott Depot, WV 25560
Debbie Kelley, 4830 Teays Valley Road, Scott Depot, WV 25560

MAGISTERIAL DISTRICT III

Executive Committee District III-A

Precinct Number 8-1 – Town Hall (A-K)

Commissioners: Norma J. Fellure, 1002 Orchard Park Road, Hurricane, WV 25526
Jane Mynes, Route 3, Box 203B, Hurricane, WV 25526
Jackie Raines, 1114 Oakbridge Drive, Hurricane, WV 25526
Clerks: Ann Johnson, 2964 Seymore Avenue, Hurricane, WV 25526
Imogene Burdette, 5520 Sycamore Road, Culloden, WV 25510

Precinct Number 8-2 – Town Hall (L-Z)

Commissioners: Ancil Jividen, 115 Church Camp Road, Hurricane, WV 25526
Don Myers, 300 High School Avenue, Hurricane, WV 25526
Davy Burdette, 5520 Sycamore Road, Culloden, WV 25510
Clerks: Stephen DeBord, 213 Shawnee Estates, Winfield, WV 25213
Janet Anderson, 1053 Helen Drive, Hurricane, WV 25526

Precinct Number 9 – High School

Commissioners: Robert O. Spurgeon, 255 Forrest Road, Hurricane, WV 25526
Nancy Bradley, 1005 Hickory Mills Road, Hurricane, WV 25526
Ruby Atkinson, 7 Western Hills, Hurricane, WV 25526
Clerks: Iva Danner, 301 Fairview Drive, Hurricane, WV 25526
Juanita Burford, 116 Lake Drive, Hurricane, WV 25526

Precinct Number 13 – Central School/Sycamore

Commissioners: Ann N. Bird, Route 2, Box 106AA, Hurricane, WV 25526
Andy Bird, 410 Lawson Street, Hurricane, WV 25526
Sue Plumley, Route 3, Box 112E, Hurricane, WV 25526
Clerks: Barbara Harbour, Route 3, Box 99, Hurricane, WV 25526
Zelda Barrett, Route 3, Box 106B, Hurricane, WV 25526

Precinct Number 31 – Sovine

Commissioners: Susan Jordan, 107 Shan Lane, Hurricane, WV 25526
Bobby Amos, 3519 Wellington Drive, Hurricane, WV 25526
Jean Griffith, 246 Teays Lane, Hurricane, WV 25526
Clerks: Dale Holsopple, 4118 Teays Valley Rd., Apt. 38, Scott Depot, WV 25560
Denise Erwin, Route 4, Box 334, Hurricane, WV 25526

Precinct Number 42 – Knollview

Commissioners: Patricia Woodrum, 751 Winfield Avenue, Winfield, WV 25213
Andrew Harris, 5 3rd Street, Winfield, WV 25213
Clark Burdette, 5520 Sycamore Road, Culloden, WV 25510

Clerks: Whitney Fewell, 5 3rd Street, Winfield, WV 25213
Claude R. Nelon, 3221 Kanawha Ave., Hurricane, WV 25526

Executive Committee District III-B

Precinct Number 6-1 – Rural (A-K)

Commissioners: Jennings Stright, 859 Cobblestone Blvd., Scott Depot, WV 25560
Glada Burcham, 3316 Virginia Avenue, Hurricane, WV 25526
Connie Renick, 213 Melrose Drive, Hurricane, WV 25526

Clerks: John Stancik, 45 Sherwood Circle, Hurricane, WV 25526
Janet Whitten, 215 Forrest Road, Hurricane, WV 25526

Precinct Number 6-2 – Rural (L-Z)

Commissioners: Ellis Finch, 100 Teays Meadows, Scott Depot, WV 25560
Jerry Wolfe, P. O. Box 609, Hurricane, WV 25526
Russell Raines, 1114 Oakbridge Drive, Hurricane, WV 25526

Clerks: Frances Adams, 122 Southwest St., Hurricane, WV 25526
Bonnie Johnson, Route 4, Box 318, Hurricane, WV 25526

Precinct Number 7 – Grade School

Commissioners: Dale Wright, P. O. Box 93, Winfield, WV 25213
Dixie Hodges, 2334 Old US Route 60, Culloden, WV 25510
Karen Grove, 106 Jamestown Road, Nitro, WV 25143

Clerks: Darla Myers, 130 Heritage Place, Scott Depot, WV 25560
Brenda Rhodes, P. O. Box 273, Bancroft, WV 25011

Precinct Number 29-1 – Teays (A-J)

Commissioners: Nancee Johnson, 3520 Carpenter Avenue, Hurricane, WV 25526
Bill Whitten, 215 Forrest Road, Hurricane, WV 25526
Betty Hodges, P. O. Box 407, Winfield, WV 25213

Clerks: Shirley Mersing, 610 Sapphire Drive, Hurricane, WV 25526
Nancy Chaffin, 22 St. Andrews Drive, Hurricane, WV 25526

Precinct Number 29-2 – Teays (K-Z)

Commissioners: Julia Greene, 1187 Grandview Drive, Hurricane, WV 25526
Linda Holley, 3696 Sleepy Hollow Drive, Hurricane, WV 25526
Ruby Cravens, 21 Hillsdale Circle, Scott Depot, WV 25560

Clerks: Janice Marsh, 3507 Carpenter Avenue, Hurricane, WV 25526
Betty Adkins, 3255 Putnam Avenue, Hurricane, WV 25526

Precinct Number 43-1 – Sleepy Hollow (A-J)

Commissioners: Caitlin Twisdale, 103 East McClure Drive, Scott Depot, WV 25560
Paul Hartling, 50 Frontier Lane, Hurricane, WV 25526
Patty A. Smith, 3411 Teays Valley Road, Hurricane, WV 25526

Clerks: Patricia Hodges, 201 Pleasant View Drive, Hurricane, WV 25526
Sheila Cobb, 142 Belle Acres, Scott Depot, WV 25560

Precinct Number 43-2 – Sleepy Hollow (K-Z)

Commissioners: Toni Twisdale, 103 East McClure Drive, Scott Depot, WV 25560
George Payne, 3748 Cambridge Drive, Hurricane, WV 25526
Anna Cunningham, 135 Glenwood Lane, Hurricane, WV 25526

Clerks: Linda Hartling, 50 Frontier Lane, Hurricane, WV 25526
Corey Plumley, Route 3, Box 112D, Hurricane, WV 25526

EMERGENCY ABSENTEE BALLOT COMMISSIONERS:

Anna Darlene Smith
Connie M. Raynes

3. BWAB International, LLC. Motion by William Legg, seconded by Jack Coyner, to approve the purchase of seven school buses from BWAB International, LLC, in the amount of \$638, 535.00. Motion carried. Vote: 5 ayes 0 nays.

Personnel

1. Resignations. Motion by William Legg, seconded by Jack Coyner, to approve the following resignations. Motion carried. Vote: 5 ayes 0 nays.

<u>professional</u>	<u>location, job, date</u>
Linda Dent	Hurricane Town, tchr, first gr (P329), 01 Aug 09 (retirement)
Sarah Graham	Buffalo High, ½ time tchr (P1572), 200 days, 15 July 09

2. Employment and assignments. Motion by Deborah Phillips, seconded by William Legg, upon recommendation of the Superintendent, to approve the following employment and assignments (pending clearance and certification). Motion carried. Vote: 5 ayes 0 nays.

<u>professional</u>	<u>location, job, date</u>
Linda Dent	county, sub tchr, 2009-10, as needed

<u>service</u>	
Grace Terry	county, sub custodian, 2009-10, as needed

<u>summer position</u>	
Charlotte Caldwell	GW Middle, aide, summer academy, July 10 - 24, as needed (522)

3. Transfers and changes. Motion by Jack Coyner, seconded by Deborah Phillips, upon recommendation of the Superintendent, to approve the following transfers and changes. Motion carried. Vote: 5 ayes 0 nays.

<u>professional</u>	<u>to job, date, from, posting</u>
Joy Dalton	PCTC, prostart/restaurant management (P1066), 201 days, 21 Aug 09, transfer unassigned

<u>service</u>	
<u>summer position</u>	
Frances Johnson	transitional kgtn, aide, as needed, 06 - 24 July, GW summer academy, aide, as needed (516)

General Business

Consent agenda

Motion by Jack Coyner, seconded by William Legg, to approve the following consent agenda items. Motion carried. Vote: 5 ayes 0 nays.

1. Use of facilities. The following requests for use of facilities are presented for Board review.

<u>facility</u>	<u>activity, organization, sponsor, date</u>
HHS	Professional Development, Smith, 06-09 July 09
PCTC	reunion, BHS class of 1979, McCallister, 08 Aug 09

2. Bills and invoices. Bills and invoices have been paid by the Treasurer per prior authorization of the Board in the amount of \$1,321,424.48.

3. Volunteer coaches. Pending clearance, the following individuals are recommended to serve as volunteer coaches.

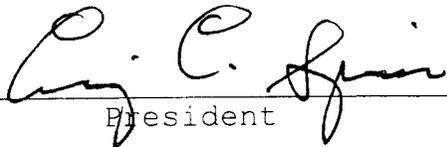
<u>name</u>	<u>location, sport, date</u>
Jason Chapman	GWMS/Football/2009-10
Richie Wyant	GWMS/Football/2009-10
Will Jordan	GWMS/Football/2009-10

Discussion

OPEB

Adjournment

Motion by Jack Coyner, seconded by William Legg, that the Board adjourn until July 20, 2009 at 7:00 p.m. at the Board office in Winfield. Motion carried. Vote: 5 ayes 0 nays. The meeting adjourned at 7:36 p.m.



President



Secretary

OFFICIAL BALLOT
PUTNAM COUNTY BOARD OF EDUCATION
School Bond Election - Saturday, August 29, 2009

"Shall the Board of Education of the County of Putnam incur debt and issue bonds in the amount of \$56,730,000.00, maturity on such bonds to run not more than fifteen (15) years and six (6) months from the date of such bonds, with interest not exceeding subject to redemption prior to maturity, in whole or in part, on terms established by the Board for the purposes of constructing, enlarging, extending, reconstructing, renovating, furnishing, equipping, consolidating and/or relocating of the projects described below, all for the special purpose of providing adequate, safe and convenient facilities for the Putnam County School District:

in the amount of \$56,730,000.00, maturity on such bonds to run not more than fifteen (15) years and six (6) months from the date of such bonds, with interest not exceeding subject to redemption prior to maturity, in whole or in part, on terms established by the Board for the purposes of constructing, enlarging, extending, reconstructing, renovating, furnishing, equipping, consolidating and/or relocating of the projects described below, all for the special purpose of providing adequate, safe and convenient facilities for the Putnam County School District:

Projects	Locations	Costs
Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility and construction of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, computer labs, a library/media center, dining room, kitchen, a gymnasium, restrooms, and storage rooms and faculty planning, to house approximately 650 students.	Current Winfield Middle School Property	SEA, Grant Funds \$21,745,736
Winfield Elementary School Construct a new elementary school including storage, computer lab, and approximately 3,100 square feet.	Current Winfield Elementary School Property	Bond Funds \$788,265
Poca Middle School Demolition of existing middle school and construction of a new middle school including classrooms, computer lab, library/media center, dining room, kitchen, restrooms, and storage rooms, to house approximately 330 students.	Current Poca Middle/Elementary School Property	Bond Funds \$21,287,255
Buffalo High School Construct a new high school including classrooms, computer lab, library/media center, dining room, kitchen, restrooms, and storage rooms, to house approximately 400 students.	Property currently owned by the Board of Education in the Town of Buffalo	Bond Funds \$20,933,310
Confidence Elementary School Construct a new elementary school including classrooms, computer lab, library/media center, dining room, kitchen, restrooms, and faculty planning, to house approximately 300 students.	Board of Education Confidence	Bond Funds \$1,825,470
Harrisburg High Auxiliary Gymnasium Construct an auxiliary gymnasium including bleachers, playing court and approximately 200 bleacher seats.	Current Harrisburg High School Property	Bond Funds \$1,642,840
Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including bleachers, playing court and approximately 200 bleacher seats.	Current Winfield High School Property	Bond Funds \$1,582,840
Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 100' playing court and approximately 200 bleacher seats and relocation of tennis courts.	Current Poca High School Property	Bond Funds \$1,139,520
Total Bond Costs		\$56,730,000

The above amounts consist of an aggregate of Fifty-six Million Seven Hundred Fifty Thousand Dollars and 00/100 Dollars (\$56,750,000.00) of bond proposals. In addition, the Board has obtained grant funding from the School Building Fund of West Virginia in the amount of Twenty-one Million Seven Hundred Forty-five Thousand Seven Hundred Dollars (\$21,745,736.00), to be received in two (2) installments, being Eleven Million Seven Hundred Forty-five Thousand Seven Hundred Dollars (\$11,742,750.00) in fiscal year 2010 and Ten Million and 00/100 Dollars (\$10,000,000.00) in fiscal year 2011. The total amounts to be provided by the Board are Fifty-six Million Seven Hundred Thirty-six and 00/100 Dollars (\$56,495,736.00).

After providing for the administration of instruction in the Putnam County schools and the current expenses of the Board, the Board finds that the amount of money available to provide the above stated funds for such projects.

The amounts described above include the costs of acquiring real estate and construction costs including but not limited to the cost of using county water, sewer, gas, and electric lines, the cost of engineering and architectural services, the cost of construction contracts, the cost of interest during construction and such other costs, fees and expenses as shall be determined by the Board. If for any reason any portion of the above-mentioned projects cannot be constructed, carried out, or completed, the Board shall be authorized to expend the amount of money remaining thereon associated with the above-mentioned construction projects, as provided by Section 6(a), Article I, Chapter 20 of the Constitution of West Virginia, 1960, as amended. In the event the Board shall obtain additional money by grant or otherwise from the State or Federal Government, or from any other source, for use in the acquisition, remediation, construction, renovation, improvement, demolition, paving, or maintenance of any of the above-mentioned projects, such additional money shall be used either in substitution for or in addition to the proceeds of the sale of any real estate or other assets owned by the Board and the governing body or agency.

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

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

- FOR THE PROPOSITION
 AGAINST THE PROPOSITION

For early voting dates and times and precinct locations, please visit
www.putnamelections.com or contact us at 304-586-0202

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 4, 2010

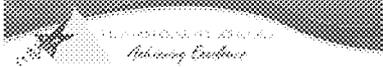
NEW ISSUE – BOOK-ENTRY ONLY

Ratings: Standard & Poor's: "AA"

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and 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 direct taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein.

\$56,750,000



THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM (WEST VIRGINIA) Public School Bonds, Series 2010

Dated: Date of Delivery

Due: May 1, as shown below

The bonds are general obligations of The Board of Education of the County of Putnam, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Putnam 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, 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and _____, _____, West Virginia, as Registrar.

Interest on the Bonds will accrue from Date of Delivery, and will be payable November 1, 2010 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Owners of the Bonds, as described herein.

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

MATURITIES, AMOUNTS, RATES AND YIELDS

Table with 8 columns: Year, Principal Amount, Interest Rate, Price/Yield, Year, Principal Amount, Interest Rate, Price/Yield. Rows show maturity amounts from 2011 to 2018 and 2019 to 2025.

The bonds are offered for delivery when, as and if issued, subject to approval of legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about March 24, 2010.

SALE DATE: MARCH 10, 2010

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. 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 indication in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**THE BOARD OF EDUCATION
of the
COUNTY OF PUTNAM (WEST VIRGINIA)**

ELECTED OFFICIALS

	<u>Term Expires</u>
Dr. Craig Spicer, President	June 30, 2010
William (Butch) Legg, Vice President	June 30, 2010
Jack Coyner	June 30, 2012
Deborah F. Phillips	June 30, 2010
Dr. Samuel P. Sentelle	June 30, 2012

APPOINTED OFFICIALS

Harold L. Hatfield, Superintendent
William Duncan, Treasurer
Robert Hull, Assistant Superintendent

BOARD'S COUNSEL

Bowles Rice McDavid Graff & Love LLP
Charleston, West Virginia

BOND COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

FINANCIAL ADVISOR

Scott & Stringfellow, LLC
Charleston, West Virginia

No dealer, broker, salesman, or other person has been authorized by the Board of Education of the County of Putnam, West Virginia, to give any information or to make any representations, other than those 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 sales of the Bonds herein described by any person 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, and is not to be construed as a representation by the Financial Advisor. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

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

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OFFICIAL STATEMENT
relating to
\$56,750,000
THE BOARD OF EDUCATION OF THE
COUNTY OF PUTNAM (WEST VIRGINIA)
Public School Bonds, Series 2010

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale by the Board of Education of the County of Putnam (West Virginia) (the "Board") of its \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), to be issued in accordance with the Official Notice of Sale of the Board. In connection therewith, a brief description of the Putnam County School District (the "School District" or "District") and the County of Putnam, West Virginia (the "County" or "Putnam County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefore.

AUTHORITY AND PURPOSE

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on and the principal of such Bonds were authorized and approved at a special election held on August 29, 2009, pursuant to, Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended, (the "Act") and to a Resolution and Order duly entered and adopted by the Board on February 15, 2010 (the "Resolution and Order"). The ballot question also stipulated a maximum term of fifteen and one half years (15 1/2) years from the date of the Bonds and an interest rate not exceeding six and three quarters percent (6.75%) per annum. The canvass of said special election showed 5,169 "Yes" votes and 4,047 "No" votes, a 56% voter approval of those who participated.

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Section 8 of Article X of the Constitution and Sections 20 and 34 of the Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

The School Building Authority of West Virginia (the "Authority") was created in 1989 to implement a program for providing funding for modern, efficient elementary and secondary public school facilities to meet the educational needs of the students of West Virginia (the "Program"). In order to facilitate its Program, the Authority granted \$21,745,736 to the School District on September 30, 2009. When combined with the \$56,750,000 proceeds from the sale of bonds, and \$21,745,736 of available funds from the District, \$78,495,736 will be available for the projects. For a complete description of the projects to be financed by the Bonds, see "Appendix C - Proposed Facilities."

THE BONDS

General

The Bonds are dated Date of Delivery, will bear interest from that date, payable semiannually on each May 1 and November 1, commencing on November 1, 2010; principal of the Bonds is payable on May 1, in the years and amounts, as follows:

Year	Principal Amount	Interest Rate	Price/Yield	Year	Principal Amount	Interest Rate	Price/Yield
2011	\$2,785,000			2019	\$3,845,000		
2012	3,080,000			2020	3,995,000		
2013	3,170,000			2021	4,155,000		
2014	3,265,000			2022	4,325,000		
2015	3,365,000			2023	4,495,000		
2016	3,465,000			2024	4,675,000		
2017	3,570,000			2025	4,865,000		
2018	3,695,000						

Pursuant to the Act, both the principal of and interest on the Bonds are payable at the office of the Treasurer of the State of West Virginia (the "Treasurer"). The Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and _____, _____, West Virginia, to act as FAST agent, transfer agent and maintain the registration books, (the "Registrar" or "Fast Agent").

Interest on the bonds will accrue from Date of Delivery and will be payable November 1, 2010 and semiannually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at his address as shown on the registration books kept for that purpose by the Registrar 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 Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Optional Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of \$5,000 in principal amount and in the minimum principal amount of \$50,000.

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

Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

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

brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

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

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

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

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant’s interest in the Securities, on DTC’s records, to [Tender/Remarketing] Agent. The requirement for

physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

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

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

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

Security and Source of Payment

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

Debt Administration

The West Virginia Municipal Bond Commission (the "Commission") is charged with the administration of the interest and sinking funds created to service the debt of the State and its subdivisions. The proceeds of taxes levied for debt service by the Board are collected by the sheriff, as treasurer of the county, who then forwards the proceeds to the Commission. The 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 Commission customarily sets the levy rates at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bonds in the State of West Virginia since the 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 2009 Senate Budget Bill is indicative:

Sec. 13. Sinking fund deficiencies - There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the municipal bond commission as provided by Chapter 31, Article 18, Section 20b of the Code of West Virginia, 1931, as amended, or in the funds of the 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 municipal bond commission as may be necessary for these purposes.

The municipal bond commission shall reimburse the state of West Virginia through the governor from the first remittance collected from the West Virginia housing development fund or from any state agency or local taxing district for which the governor advanced funds, with interest at the rate carried by the bonds for security or payment of which the advance was made.

No representation is made that subsequent Budget Bills will have such provision 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 or the County of Putnam. 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.

PUTNAM 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 pre-kindergarten through the secondary school level. The Board is composed of members elected by the voters of the County without reference to political party affiliation. Presently the terms of the members are for four years and are staggered so that no more than three terms expire at one time. The terms of such members begin on the first day of July next following the primary election at which they were elected.

Board members' duties are established by State statute with the State 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 corporation and as such may sue and be sued, plead or be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

The Putnam County Board of Education has 1,235 employees,795 of whom are professional and 440 service staff. Of the 795 professionals,34 are administrative,30 are principals and 731 are teachers.

The County's pupil-teacher ratio, based upon the County Superintendent's Second Month Attendance Report for the school year 2009-2010 is 13:1.

Facilities of the District

The present facilities of the Putnam County School District include 4 high schools, 4 middle schools and 14 elementary schools and one vocational/technical school.

The District also maintains a board office, transportation center and maintenance building.

School Facilities within the District

<u>School</u>	<u>Grades</u>	<u>Type of Construction</u>	<u>Date of Construction</u>	<u>Renovations & Additions/Year</u>
<u>High Schools:</u>				
Buffalo High School	9-12	Steel frame construction/ brick/masonry walls	1951	1969, 1982, 1984, 1985, 1987
Buffalo HS Culture Center	9-12	Fire resistive	1983	
Hurricane High School	9-12	Steel frame construction/ brick/concrete block walls	1968	1977, 1980, 1986, 1991 1992, 2004
Hurricane HS Culture Center	9-12	Fire resistive	1979	
Poca High School	9-12	Steel frame construction/ brick & concrete block/ concrete block	1968	1980, 1985, 1989, 1997
Poca HS Culture Center	9-12	Fire resistive	1985	
Winfield High School	9-12	Steel fame construction/ brick/concrete	1979	1980, 1982, 1987, 2005
Winfield HS Culture Center	9-12	Fire resistive	1979	

Middle Schools:

George Washington	6-8	Steel frame construction/ brick & masonry block/ masonry walls	1984	1987, 2000, 2001, 2005
Hurricane	6-8	Steel frame construction/ masonry block & brick/ masonry walls	1950	1952, 1958, 1979, 1982, 1995, 2000
Poca	6-8	Steel frame construction/ block & stone/ masonry walls	1926	1957, 1982, 1986, 1989
Winfield	6-8	Steel frame construction/ brick & concrete block concrete block walls	1951	1953, 1968, 1972, 1975, 1984, 1999, 2000

Elementary Schools:

Buffalo	Pre K-5	Steel frame construction/ brick/masonry walls	1950	1974, 1978, 1999, 2000
Confidence	K-5	Masonry block construction/ brick/masonry walls	1950	1973
Conner Street	K-5	Steel frame construction/ brick & glazed tile/ masonry walls	1966	1975, 1978, 1992
Eastbrook	K-5	Steel frame construction/ brick/masonry walls	1980	2008
George Washington	K-5	Steel frame construction/ brick/masonry walls	1955	1978, 2009
Hometown	K-5	Steel frame construction/ brick, masonry walls	1977	1997
Hurricane Town	K-5	Steel frame construction/ brick/masonry walls	1980	1992
Lakeside	K-5	Steel frame construction/ brick/masonry walls	1980	
Mountain View	K-5	Fire resistive	2009	
Poca	K-5	Steel frame construction/ brick/masonry walls	1950	1965, 1974
Rock Branch	K-5	Masonry bearing & steel frame construction/concrete block & brick/masonry & drywall plaster walls	1952	1978, 1996, 2009
Scott Teays	K-5	Steel frame construction/ brick/masonry walls	1951	1962, 1973, 1978, 2009
West Teays	K-5	Steel frame construction/ brick/masonry walls	1978	1985, 1997, 2002
West Teays Annex	K-5	Joisted masonry	1984	
Winfield	K-5	Steel frame construction/ brick/masonry walls	1962	1965, 1985, 1998, 2002

Miscellaneous:

PC Tech Center	9-12 -Adult	Split face concrete block/ Masonry bearing construction	1940	1967, 1971, 1985
Henderson House		Frame	1965	
Central Office		Joisted masonry	1996	
Bus Garage		Fire resistive	1997	

Source: Putnam County Board of Education

Historical Enrollment

<u>Grades</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
PreK	64	64	88	114	121
K	711	739	741	696	757
1	688	695	722	712	694
2	666	689	692	712	703
3	623	671	707	698	710
4	659	628	672	721	714
5	714	673	629	695	719
6	645	741	698	646	718
7	688	652	733	711	657
8	741	684	663	738	710
9	787	820	781	732	848
10	653	688	701	715	663
11	632	608	631	619	631
12	616	635	576	622	633
Early Childhood	<u>106</u>	<u>122</u>	<u>166</u>	<u>210</u>	<u>239</u>
TOTALS	8,993	9,109	9,200	9,341	9,517

Source: Putnam County Board of Education

Projected Enrollment

<u>Grades</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Pre-K	745	740	733	740
K	690	659	663	650
1	693	665	635	637
2	661	666	640	610
3	618	675	680	654
4	664	649	706	712
5	652	634	620	674
6	695	679	659	646
7	654	687	671	652
8	696	667	700	684
9	705	718	690	723
10	682	704	720	691
11	663	648	668	683
12	690	707	690	711
TOTALS	9,508	9,498	9,475	9,467

Source: Putnam County Board of Education

Assessed Valuations

The Putnam County School District includes all of Putnam County and has the same assessed valuation of property therein as does the entire county.

Chapter 11, Article 1C of the West Virginia Code of 1931, as amended (the “Code”), requires all assessors to appraise all property at fair market value (except for certain farm property) and to perform updated appraisals every three years. The State Tax Commissioner is required to monitor the assessors in the performance of their duties and to perform the valuation process on industrial and natural resource property within the aforesaid three-year period. The Code limits the increase in property taxes that could result from the new valuation to one percent (1%) per year, unless, in the case of local governmental units (i.e. school boards), the Legislature after a public hearing deems a greater increase is necessary. Such increase is limited to 10% per year. The Code requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the three-year reappraisal cycle, which became effective July 1, 1994.

Assessment Procedures

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The county commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment, the commission certifies and returns the property books to the assessor. Appeal of any assessment may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. The assessor annually, not later than March 7, 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 2010 assessment year valuations were made as of July 1, 2009, with taxes levied and collected during the fiscal year July 1, 2010, through June 30, 2011.

The State Tax Commissioner has the responsibility of 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 assessment 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 allocations being approved by the Board of Public Works.

Property Classification

Rates of levy for county, municipal and school district taxes are based upon property classifications set out in the Constitution of the State of West Virginia. Article X, Section 1 of the Constitution of the State of West Virginia and Chapter 11, Article 8, Section 5 of the Code created four classifications of property for which 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, all notes, bonds, bills, accounts receivable, stocks and any other intangible personal property, not including bank deposits and money; Class II - owner-occupied residential property and certain farm lands; Class III - all real and personal property other than Class I and II property, situated outside of municipalities; Class IV - all real and personal property other than Class I and II, situated within municipalities. Public utility property falls within Class III or Class IV, as appropriate. Article 10, Section 1b of the West Virginia Constitution and Chapter 11, Article 6B, Section 3 of the Code provide that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence who is a citizen of the State and who is sixty-five years of age or older or is certified as being permanently or totally 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.

Assessed Valuation by Property Class

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	\$ 1,804,065	\$ 1,881,443	\$ 1,995,126	\$ - 0 -	\$ - 0 -
II*	1,017,775,716	1,103,408,214	1,180,706,338	1,219,724,517	1,262,149,765
III	883,193,686	962,877,798	1,096,492,035	1,144,441,489	1,222,671,569
IV	126,576,064	134,846,846	139,627,351	153,748,022	165,680,161
Totals	<u>\$2,029,349,531</u>	<u>\$2,203,014,301</u>	<u>\$2,418,820,850</u>	<u>\$2,517,914,028</u>	<u>\$2,650,501,495</u>

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Assessed Valuation by Property Category

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Real*	\$ 1,351,636,080	\$ 1,465,594,930	\$ 1,560,539,110	\$ 1,611,244,543	\$ 1,675,513,840
Personal	387,154,550	430,724,831	549,872,537	563,718,130	555,502,451
Utility	290,558,901	306,694,540	308,409,203	342,951,355	419,485,204
	<u>\$ 2,029,349,531</u>	<u>\$ 2,203,014,301</u>	<u>\$ 2,418,820,850</u>	<u>\$ 2,517,914,028</u>	<u>\$ 2,650,501,495</u>

* Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment.

Source: West Virginia State Tax Department, Property Tax Division

The amount of Class II property so excluded from the above table was as follows:

<u>Year</u>	<u>Amount</u>
2005-2006	\$ 89,967,142
2006-2007	91,997,276
2007-2008	94,370,504
2008-2009	98,540,927
2009-2010	102,321,044

Source: Virginia State Tax Department, Property Tax Division

Ten Largest Assessed Valuations for 2009-10

<u>Property Owner</u>	<u>Product/Service</u>	<u>Assessed Valuation</u>
Appalachian Power Company	Utility	\$239,223,338
Winfield Locks and Dam	River barge traffic control	135,393,600
Ohio Power Company	Electric generation plant	118,050,247
Toyota Manufacturing, WV, Inc.	Automobile manufacturing	26,167,620
Verizon	Utility	14,792,786
Columbia Gas	Utility	7,356,660
Wal-Mart	Retail store	7,292,580
CSX Transportation	Railroad	6,399,471
Wexford Village	Residential development	6,342,240
Cranberry Pipeline	Utility	4,918,287

Source: Putnam County Assessor's Office

Tax Collection Procedures

All taxes for real estate and personal property are collected by the 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 the taxes were 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. If no person bids the amount of taxes, interest and charges then due, the Sheriff shall purchase the property on behalf of the State for the amount so 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 of the County. The Sheriff accounts for and pays over such money as if it had been paid to him before sale and redemption.

Tax Rate Comparisons

The following table compares Putnam County property tax rates (to be charged on property located outside a municipality) in cents per \$100 assessed valuation, to surrounding counties for the tax year 2009, fiscal year ending June 30, 2010:

<u>County</u>	<u>Class I</u>	<u>Class II</u>	<u>Class III/IV</u>
PUTNAM	56.25	112.50	225.00
Cabell	69.98	139.97	279.94
Mason	58.44	116.88	233.76
Jackson	62.17	124.34	248.68
Kanawha	58.86	117.73	235.46
Lincoln	62.36	124.72	249.44

Source: State of West Virginia, Auditor’s office

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 rates may be increased by up to 100% by boards of education. The increased levies cannot 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.

The aggregate county tax rates, per \$100 assessed valuation for fiscal year ending June 30, 2010, are as follows:

	<u>Class I</u>	<u>Class II</u>	<u>Class III</u>	<u>Class IV</u>
Unincorporated Areas	.5625	1.1250	2.2500	
Incorporated Areas				
Bancroft	.6875	1.3750		2.7500
Buffalo	.6875	1.3750		2.7500
Eleanor	.6856	1.3712		2.7424
Hurricane	.7447	1.4894		2.9788
Poca	.6875	1.3750		2.7500
Winfield	.6836	1.3672		2.7344
Nitro	.7139	1.4278		2.8556

Source: State of West Virginia Auditor’s Office

School Tax Rates

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code the tax limit for school current expenses and school permanent improvement purposes combined is \$.2295 per \$100 assessed valuation in respect to Class I; \$.4590 per \$100 in respect to Class II; and \$.9180 per \$100 in respect to Classes III and IV.

By favorable vote of at least a simple majority of the voters voting in an election, the above limitation may be increased by up to 100% for the period of five years, after which a referendum 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.

The Putnam County School District currently has an excess levy and as of the date of this official statement has no bond levy other than what is contemplated by this official statement as approved by a majority of voters voting in the special election on August 29, 2009.

Putnam County, West Virginia
School Tax Rates - By Property Class
Cents Per \$100

	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>
Class I	43.43	43.00	42.35	42.35	42.35
Class II	86.86	86.00	84.70	84.70	84.70
Class III/IV	173.72	172.00	169.40	169.40	169.40

Source: Putnam County Board of Education

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

Rates of Levy

The tax rates for the citizens of the County, including those imposed by the Putnam County Board of Education, but not including those relating to the Bonds, in cents per \$100 assessed valuation for the 2009-2010 fiscal year, are as follows:

	Rates of Levy		
<u>Tax Type</u>	<u>Class I</u>	<u>Class II</u>	<u>Class III/IV</u>
State Current	.25	.50	1.00
County Current	13.65	27.30	54.60
County Excess	-0-	-0-	-0-
School Current	19.40	38.80	77.60
School Excess	22.95	45.90	91.80
School Bonds	-0-	-0-	-0-

Source: State of West Virginia Auditor's Office

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 2009-2010 fiscal year:

	Rates of Levy		
<u>Municipality</u>	<u>Class I</u>	<u>Class II</u>	<u>Class IV</u>
Bancroft	12.50	25.00	50.00
Buffalo	12.50	25.00	50.00
Eleanor	12.31	24.62	49.24
Hurricane	18.22	36.44	72.88
Poca	12.50	25.00	50.00
Winfield	12.11	24.22	48.44
Nitro	15.14	30.28	60.56

Source: County of Putnam, West Virginia, Assessor's Office

The aggregate county taxes for school purposes, per \$100 assessed valuation after implementing the rates for the Bonds will be as follows:

	<u>Class I</u>	<u>Class II</u>	<u>Class III/IV</u>
School Current Expenses/Permanent Improvement Levy	19.40	38.80	77.60
100% Excess Levy	22.95	45.90	91.80
*2010 Bond Levy	-0-	16.70	33.40

*Reflect Bonds being issued at the maximum allowable rate as approved by the voters at a special election held on August 29, 2009.

Tax Levies and Collections

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Current Expense Levy	\$13,232,191	\$14,177,297	\$14,806,481
Excess Levy	<u>15,146,074</u>	<u>16,771,598</u>	<u>17,515,913</u>
GROSS LEVY	\$28,378,265	\$30,948,895	\$32,322,394
Less:			
Allowance for tax increment financing	(213,381)	(293,736)	(375,243)
Allowance for Assessor's Valuation Fund	<u>(234,150)</u>	<u>(249,572)</u>	<u>(259,278)</u>
NET LEVY	<u>\$27,930,734</u>	<u>\$30,405,587</u>	<u>\$31,687,873</u>
TOTAL COLLECTIONS	<u>\$28,383,127</u>	<u>\$31,312,280</u>	<u>\$31,873,277</u>
Total Collections as percentage of Net Levy	101.62%	102.98%	100.59%

Source: The Board of Education of Putnam County

School District Debt Statement

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. Under such constitutional and statutory standard, the computation of the debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information (pro-forma)

Population (2008 estimate).....	55,488
Assessed Valuation (2009-10 Figures).....	\$ 2,650,501,495*
Debt Limit (5% of Assessed Valuation).....	\$132,525,075
Outstanding Debt (Including the 2010 Bonds).....	\$56,750,000
Debt Contracting Margin.....	\$75,775,075
Per Capita Debt.....	\$1,022.74
Outstanding Debt as a Percentage of Assessed Valuation.....	2.141%

* Assessed valuation is estimated to be approximately 60% of appraised or market value

Source: County of Putnam, West Virginia, Assessor's Office,
West Virginia Department of Tax and Revenue,
Putnam County Chamber of Commerce

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Debt Service Requirements

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

Year	Principal	Interest	Total	Year	Principal	Interest	Total
2011	\$2,785,000			2019	\$3,845,000		
2012	3,080,000			2020	3,995,000		
2013	3,170,000			2021	4,155,000		
2014	3,265,000			2022	4,325,000		
2015	3,365,000			2023	4,495,000		
2016	3,465,000			2024	4,675,000		
2017	3,570,000			2025	4,865,000		
2018	3,695,000						

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. Collections are transferred periodically to the State Municipal Bond Commission. The 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 Authority funds and from special funds that are categorically identified and authorized to supplement bond proceeds or State School Building Authority funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.
3. Capital Projects Fund - The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.
4. General Current Expense Fund - The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes; (2) other local or miscellaneous revenues; (3) State aid to counties for restricted and unrestricted purposes; and (4) Federal aid received directly or through the State, usually categorical or restricted.
5. Special Review 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 Treasurer’s Office, also referred to as the Board of Treasury Investments (“BTI”). BTI is governed by a board of trustees consisting of the Governor of the State of West Virginia, the Auditor of the State of West Virginia, the Treasurer of the State of West Virginia, and two members appointed by the Governor. The Bond Commission currently invests its funds in the Consolidation 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 ninety (90) days.

Accounting Practices

The District's 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 accounting and financial reporting principles. The District's financial 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. The government fund financial statements (Balance Sheet – Government Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Government 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 Auditor's Office of the State of West Virginia or by an independent certified public accounting firm approved by the State Auditor's Office. 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 of America.

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:

January - The Superintendent reviews current year's budget to determine that current year's projections are accurate and within budget.

February - The Superintendent shall begin preliminary work on budget preparation. Estimates of receipts established. Preliminary priorities discussed.

March - Assessed valuations and preliminary State aid calculations received on or about March 3. The Board of Education shall meet between the budget hearing date and March 28 for approval of the proposed levy rates. Budget and levy rates must be submitted to the Department of Tax and Revenue by March 28.

April - On the third Tuesday in April, the Board enters the levy order for taxes commencing July 1.

September - Board advised of ending balances for previous fiscal year. Board evaluates status for current fiscal obligations in relation to ending balances and establishes budgetary changes necessitated

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analysis. 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 Auditor's Office of the State of West Virginia.

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School District's Revenues and Expenses

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Revenue:			
Property taxes	\$28,383,127	\$31,312,280	\$31,873,277
Other sources	2,915,201	2,909,417	2,501,214
Intermediate sources			
State sources	45,434,181	52,524,137	52,149,172
Federal sources	5,964,947	6,855,220	6,851,575
Miscellaneous	43,093	7,258	131,541
Total Revenue	<u>\$82,740,549</u>	<u>\$93,608,312</u>	<u>\$93,506,779</u>
Expenditures:			
Regular Elem/Sec Inst	46,917,850	49,782,533	53,873,639
Community Services	167,831	157,682	155,821
Student Support	2,451,110	2,440,968	2,775,664
Staff Support	2,552,284	2,841,799	2,821,238
Central Administration	1,047,545	1,154,089	1,344,354
School Administration	4,679,076	4,721,280	5,297,890
Business Office	1,499,426	1,656,025	1,809,565
Operation - Maintenance	7,379,617	7,880,808	9,255,803
Transportation	5,824,603	6,231,138	6,616,655
Food Services	4,948,386	5,385,114	5,517,723
Capital Outlay	7,984,944	8,488,126	2,863,982
Debt Service – Principal	-0-	-0-	-0-
Interest and fiscal charges	-0-	-0-	-0-
Total Expenditures	<u>85,452,672</u>	<u>90,739,562</u>	<u>92,332,334</u>
Excess (Deficiency) of Revenues			
Collected over Expenditures Paid	<u>(2,712,123)</u>	<u>2,868,750</u>	<u>1,174,445</u>
Other Finance Sources			
Proceeds from note payable	-0-		
Operating transfers in	5,469,218	4,145,835	4,165,150
Operating transfers out	<u>(5,469,218)</u>	<u>(4,145,835)</u>	<u>(4,165,150)</u>
Total Other Financing Sources	-0-	-0-	-0-
Extraordinary items	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues			
Collected and Other Financing Sources			
Over Expenditures Paid	<u>(2,712,123)</u>	<u>2,868,750</u>	<u>1,174,445</u>
Gross Fund at Beginning of Year	9,566,034	6,715,695	9,658,564
Restatement of Fund Balance	(138,216)	74,119	(531,755)
Prior period adjustments	-0-	-0-	-0-
Gross fund balance at beginning of year, restated	<u>9,427,818</u>	<u>6,789,814</u>	<u>9,126,809</u>
Gross Fund Balance at Year End	<u>\$6,715,695</u>	<u>\$9,685,564</u>	<u>\$10,301,254</u>

Source: Putnam County Board of Education

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School District's Budget

	2006-07	2007-08	2008-09	2009-2010
Revenue:				
Property taxes	\$27,424,709	\$29,741,941	\$31,660,213	\$32,699,895
Other sources	2,411,143	3,477,943	3,430,803	2,254,937
State sources	49,786,517	54,035,015	53,172,546	47,626,741
Federal sources	7,608,851	8,081,278	7,516,848	6,559,508
Miscellaneous	9,000	12,944	143,486	4,000
Total revenue	<u>87,240,220</u>	<u>95,349,121</u>	<u>95,923,896</u>	<u>89,145,081</u>
Expenditures:				
Regular elem/sec instruction	48,008,600	51,323,481	54,649,029	54,758,717
Supporting services				
Students	2,172,492	2,544,515	2,645,219	2,203,038
Instructional staff	2,967,197	3,132,055	2,856,221	2,047,535
Central administration	1,155,816	1,269,008	1,385,865	1,352,925
School administration	4,748,557	4,878,275	5,091,024	5,017,878
Business	1,583,456	1,803,475	1,809,240	1,784,939
Operation and maintenance of facilities	7,111,397	8,728,472	10,545,087	8,292,433
Student transportation	5,555,901	6,570,516	6,672,344	6,325,470
Food Services	5,038,034	5,766,130	5,359,709	5,460,162
Community services	167,600	177,104	164,261	179,839
Capital Outlay	14,627,845	11,579,568	8,096,628	1,906,950
Total expenditures	<u>93,136,895</u>	<u>97,772,599</u>	<u>99,274,627</u>	<u>89,329,886</u>
Excess (deficiency) of revenues over expenditures	<u>(5,896,675)</u>	<u>(2,423,478)</u>	<u>(3,350,731)</u>	<u>(184,805)</u>
Other financial sources (uses):				
Transfers in	5,500,375	4,058,531	4,165,503	3,579,334
Transfers (out)	<u>(4,323,054)</u>	<u>(4,089,446)</u>	<u>(4,621,586)</u>	<u>(3,579,334)</u>
Total other financing sources (uses):	<u>1,177,321</u>	<u>(30,915)</u>	<u>(456,083)</u>	<u>-0-</u>
Net change in fund balances	<u>(4,719,354)</u>	<u>(2,454,393)</u>	<u>(3,806,814)</u>	<u>(184,805)</u>
Actual fund balance at end of prior year	<u>4,719,354</u>	<u>2,454,393</u>	<u>3,806,814</u>	<u>184,805</u>
Projected fund balance at end of current year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Source: Putnam County Board of Education

Teachers' Retirement System

The State Teachers' Retirement System (TRS) was established on July 1, 1941 for the purpose of providing retirement benefits for teachers and school service personnel. TRS is a defined benefit plan that currently has approximately 19,313 active members and 26,050 retired members. An active member contributes 6% of his or her gross monthly salary into the retirement plan. The employer contributes an additional 15% of the member's gross monthly salary into the plan for employees hired before July 1, 2005 and 7.5% for employees hired for the first time on or after July 1, 2005.

A member with 5 or more years of contributing service who terminates employment prior to retirement, but does not withdraw his or her employee contributions, will be eligible for retirement benefits at age 62, or at age 60 with 20 years of contributing service.

A regular retirement benefit, paid in equal monthly installments, is an amount equal to 2% of a member's final average salary multiplied by the member's years of service credit. Final average salary refers to the average of the 5 highest fiscal year salaries out of the last 15 fiscal years of contributing service. Normally, this figure will come from the last 5 years of employment.

TRS funding policy provides for member contributions based on 6% of members' annual compensation. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined. The employers make the following contributions:

The county boards of education, utilizing funds made available through the State's School Aid formula, contribute 15% of the compensation of their TRS-covered employees hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005. The State contributes 15% of the compensation of TRS members employed by the State hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005. Other employers contribute 15% of their TRS-covered employees' compensation for the ones hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005.

In addition, the State contributes a certain percentage of fire insurance premiums paid by State residents and an amount determined by the State actuary as being needed to extinguish the TRS unfunded liability by June 30, 2034. Counties contribute 15% of the compensation of TRS members' salaries not covered under the State's School Aid formula for the ones hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005. See Appendix A - Audited Financial Statements for the Fiscal Year Ended 2009.

As of July 1, 2009, the unfunded liability of TRS was \$5.05310 billion. The funded percentage was 41.3%. Projected amortization of the unfunded liability was June 30, 2034.

Source: West Virginia Consolidated Public Retirement Board
The Board of Education of Putnam County, West Virginia

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering full time employees of the State's 55 county public school systems, the State Department of Education, several Higher Education employees, and the School for the Deaf and Blind who are hired after June 30, 1991. TDC members may also include former TRS plan members, including higher education employees, who have elected to transfer into or participate in TDC. TDC benefits depend solely on amounts contributed to the plan plus investment earnings/losses. Chapter 18, Article 7B of the West Virginia Code establishes the plan provision for TDC. On July 1, 2005, TDC closed to new participants. On July 1, 2008, participants in TDC were transferred to TRS.

The West Virginia Code requires employees to contribute 4.5% of their gross compensation, tax deferred and the employers to contribute 7.5% of covered members' gross compensation. Employer contributions for each employee (and interest earnings and/or losses allocated to the employee's account) become 1/3 vested after six years, 2/3 vested after nine years and fully vested after 12 complete years of service. Non-vested employer contributions and earnings are forfeited by employees who leave employment prior to becoming fully vested in the event the employee does not return to active participant status within five years to reduce the employer's current period contribution requirement. Any such forfeitures arising from contributions, plus earnings thereon, will be used to reduce future employer contributions.

Source: West Virginia Consolidated Public Retirement Board

SUMMARY OF INSURANCE COVERAGE

Type:	<u>Amount in Force</u>
Fire, Extended Coverage/Buildings and Personal Property	\$133,739,344
Subject to the following limitations:	
Fidelity Honest Bond	1,000,000
Money and Securities	1,000,000
Public Official Position Bond	
Superintendent	\$ 25,000
Board President	5,000
Treasurer	600,000

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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 Company of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for the coverage period July 1, 2009 to July 1, 2010, 12:01 Eastern Standard Time.

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
- Garagekeeper's Insurance

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 not to exceed (actual cash value) each vehicle subject to a deductible of \$1,000 for private passenger vehicles or \$1,000 for other vehicle types including mobile equipment.

Aggregate: The insurer's aggregate limit of liability for all covered damages, fees (including attorney's fees), costs and expenses for the defense of claims and lawsuits and for interest is \$5,000,000 maximum, regardless of the number of claims, lawsuits, claimants, occurrences, offenses, wrongful acts or omissions, accidents, losses, insureds or policies or certificates of insurance issued by the insurer to the State of West Virginia, any political body or agency or subdivision of the State and any charitable or public service organization. Therefore, could be reduced or even eliminated because of payments under other certificates of insurance and the policy issued to the State of West Virginia.

Defense Costs Defense costs are in addition to the each occurrence limit of liability. However, defense costs are subject to the aggregate limit of liability and will be charged to it.

Source: The Board of Education of Putnam County, West Virginia

THE COUNTY OF PUTNAM

Introduction

Putnam County (the "County") is located in the west central area of West Virginia and its 2000 population was 51,589. The estimated population as of 2008 was 55,488. Winfield, the county seat, is 253 miles from Pittsburgh, PA, 139 miles from Columbus, OH, 198 miles from Cincinnati, OH, 558 miles from New York, NY, and 292 miles from Charlotte, NC. In addition to Winfield, Bancroft, Buffalo, Eleanor, Hurricane, Poca and Nitro are the other incorporated communities in Putnam County.

Putnam County is 351 square miles in size and is surrounded by Mason and Jackson Counties to the north, Lincoln County to the south, Cabell County to the west and Kanawha County to the east.

Since 1990, the population of the County has increased as indicated in the following table:

	<u>1990</u>	<u>2000</u>	<u>2008</u>
Putnam County	42,835	51,589	55,488
West Virginia	1,782,958	1,807,442	1,814,468

Since 2000, it is estimated that Putnam County's population has increased as follows:

<u>2000</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
51,589	52,205	53,750	55,001	55,488

Source: U. S. Census Bureau, Putnam County Chamber of Commerce

Economy

The economy of Putnam County is driven by the automobile manufacturing, construction, and power generation industries. Putnam County's economy is influenced by the economies of Columbus, OH, Cincinnati, OH, and Pittsburgh, PA. The east/west corridor of Interstate 64 passing through the southern part of Putnam County, the north/south corridor of U.S. 35, and the southeast/northwest corridor of the Kanawha River, provide links to the national economy. Putnam County is located in the Charleston Metropolitan Statistical Area, which also incorporates Kanawha, Lincoln, Boone, and Clay Counties in West Virginia. There are 309,635 people living within the Charleston Metropolitan Statistical Area.

There are fifteen financial institutions in the County.

Employment and Income Statistics

Average Annual Unemployment Rates

	<u>Putnam County</u>	<u>West Virginia</u>	<u>United States</u>
2009	6.40%	7.23%	9.28%
2008	3.20%	4.27%	5.82%
2007	3.50%	4.34%	4.60%
2006	3.80%	4.60%	4.61%
2005	4.40%	4.91%	5.08%

Employment by Industry

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Mining	100	132	150	165
Construction	2,670	2,856	2,998	3,364
Manufacturing	1,902	1,959	2,112	2,159
Trade, Transportation and Utilities	5,358	5,291	5,256	5,595
Information	276	321	365	379
Finance, Insurance and Real Estate	825	868	854	971
Professional and Business Services	1,224	1,303	1,723	1,916
Education and Health Services	1,418	1,423	1,492	1,651
Leisure and Hospitality	1,585	1,594	1,695	1,720
Other Services	509	556	489	515
Government	2,284	2,366	2,347	2,357

Average Employment and Wages for 2008

	<u>Putnam County</u>	<u>West Virginia</u>	<u>United States</u>
Average Employment	20,798	709,575	135,185,230
Average Annual Wage	\$42,015	\$35,985	\$42,270

Wages per Industry for 2008

<u>Industry</u>	<u>Total Wages</u>	<u>Average Annual Wage</u>	<u>Average Weekly Wage</u>
Agriculture	\$ 1,645,269	\$22,537	\$ 433.42
Mining	8,740,744	95,008	1,827.08
Construction	181,532,721	53,963	1,037.75
Manufacturing	129,051,838	59,774	1,149.50
Trade, Transportation and Utilities	226,572,174	40,495	778.75
Information	17,581,161	46,388	892.08
Finance, Insurance and Real Estate	44,058,202	45,374	872.58
Professional and Business Services	91,500,059	47,755	918.38
Education and Health Services	55,312,061	33,502	644.27
Leisure and Hospitality	20,255,330	11,776	226.46
Other Services	15,395,014	29,893	574.87
Government	82,083,623	34,825	669.71
Total	\$ 873,728,196	\$42,015	\$ 807.98

Per Capita Personal Income

<u>Location</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
United States	\$37,728	\$39,430	\$40,208
West Virginia	28,722	30,144	31,641
Putnam County	31,582	33,505	35,515*

*Approximate

Source: West Virginia Bureau of Employment Programs
 Work Force West Virginia
 United States Department of Labor, Bureau of Labor Statistics
 The United States Department of Commerce, Bureau of Economic Analysis

Ten Largest Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
Putnam County Board of Education	Public education	1,235
Toyota Motor Manufacturing	Automotive manufacturing	1,054
Appalachian Power – John Amos Plant	Electric power generation	452
Rite Aid of West Virginia	Retail distribution	450
CAMC Teays Valley Hospital	Health care	424
Babcock & Wilcox	Construction	352
Wal-Mart	Retail	320
U S Foodservice	Wholesale grocery	215
Putnam County Commission	Government	210
Appalachian Power Service Corp.	Customer service center	180

Education

The availability of higher education opportunities around Putnam County is abundant. Marshall University in Huntington, West Virginia and West Virginia State University in Institute, West Virginia are within minutes of the Putnam County seat. Marshall University Graduate College is located in South Charleston, West Virginia is 24 miles away. There are two community colleges, one in Huntington, West Virginia and another in Institute, West Virginia. The University of Charleston is located in Charleston, West Virginia, 31 miles away.

The Putnam County Library houses more than 95,000 volumes in Winfield, with branches throughout the County. The Putnam County Library compliments all aspects of basic and higher education.

Transportation

Winfield, the county seat, is located on the Kanawha River, which is a major waterway for barge freight. US Route 35 intersects the County from northwest to southeast. Rail service is provided by CSX. The CSX mainline runs through the southern part of the county. Interstate 64 dissects the southern part of the county from east to west.

Charleston's Yeager Airport is 22 miles from Winfield. Huntington's Tri-State Airport is 45 miles from Winfield. Columbus (Ohio) International Airport is 198 miles from Winfield.

Recreation and Tourism

Putnam County is very sports oriented. Its organized secondary schools sports programs compete for state championships in baseball, basketball and football on a regular basis.

Marshall University which is 25 miles away in Huntington, West Virginia is a member of the NCAA Conference USA. Its football team won national championships in NCAA Division I-AA, when it competed in the Southern Conference.

There are four golf courses, an ice rink, a wave pool, four city and county parks, four public/private swimming pools, three public tennis courts, a bicycle trail, and two boat launch ramps in Putnam County.

The Tri-County YMCA is located at Scott Depot, in Putnam County.

Huntington and Charleston have nationally recognized museums and both cities have symphony orchestras that offer full performance seasons.

Communications

There are three daily newspapers that cover events in Putnam County, including the *Huntington Herald Dispatch*, the *Charleston Daily Mail* and *The Charleston Gazette*. There are three weekly newspapers.

The area is served by five television stations that represent five networks, one public television station, 2 cable television companies, and eighteen AM and FM radio stations.

Utilities and Services

Electricity is provided by Appalachian Power. Water and sewerage service is provided by several municipalities, public service districts, and West Virginia American Water Company. Verizon provides land-based telephone service to Putnam County. Natural gas is provided by Mountaineer Gas Company and Union Oil and Gas. Television cable service is provided by Comcast Communications, Suddenlink Communications, and Bradley Communications.

Health Care

CAMC Teays Valley is situated in Hurricane, West Virginia along the I-64 corridor in the southern part of the County. It is a 68 bed hospital and part of the larger Charleston Area Medical Center in Charleston, West Virginia, 22 miles away. There are six hospitals within thirty minutes of Winfield, including Cabell Huntington Hospital, a university teaching hospital at Marshall University. There are two nursing homes and two assisted living facilities in Putnam County.

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations upon the conditions and subject to the limitations set forth in this section, and (b) under existing West Virginia law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

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

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation, clarifications or amendments to the Code, if enacted into law, any proposed legislation, clarifications or amendments to the Code, or any court decisions affecting the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

The foregoing is only a general summary of certain provisions of the Code and does not purport to be complete. Owners of the Bonds should consult their own tax advisors as to the effects of the Code in their particular circumstances. Bond Counsel will render no opinion with respect to these or other collateral tax consequences of owning the Bonds.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

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

On May 11, 1982, in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property-rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The Court expressed its intention that the master plan be viewed as a proposal to the State legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 5, 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 Board 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 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.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages special 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 expected 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, fifty (50) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability for other post-employment benefits payable related to state aid eligible employees and to pay any future amounts billed by PEIA for state aid eligible employees. The Board does not expect the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Bonds.

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 that materially adversely affects the financial condition of the Board.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, 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, Charleston, West Virginia, Counsel to the Board.

CONTINUING DISCLOSURE

The Board has agreed to execute and deliver contemporaneously with the issuance of the Bonds, to provide, in accordance with the Continuing Disclosure Certificate, which shall be delivered in substantially the form attached hereto as Appendix E, for the benefit of the Registered Owners of the Bonds to provide certain financial and operating information of the System (the "Annual Information") not later than two hundred seventy (270) days following the end of the fiscal year of the School District, commencing with the report for the fiscal year ending June 30, 2010, and to provide notice of the occurrence of the enumerated events listed therein, if material. The Annual Information and each notice of material events will be filed electronically by _____ Bank, _____, West Virginia, as dissemination agent, on behalf of the School District, with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken by the School District to comply with Rule 15c2-12 promulgated by the SEC. The School District has agreed to give notice in a timely manner to EMMA of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Bonds. Registered Owners may contact the School District's Treasurer at 9 Courthouse Drive, Winfield, West Virginia 25213 for more information. Under the Continuing Disclosure Certificate, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

RATINGS

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

SALE AT COMPETITIVE OFFERING

The Bonds will be offered by the Board at competitive bidding on March 10, 2010, in accordance with the Notice of Sale in Appendix D.

FINANCIAL ADVISOR

Scott & Stringfellow, LLC, Charleston, West Virginia, Financial Advisor to the Board, or its directors or employees, may hold, own or dispose of bonds, including the Bonds issued by the Board. BB&T Capital Markets, a subsidiary of Scott & Stringfellow, LLC may wish to bid alone or as a member of a syndicate for the purchase of these Bonds.

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CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the \$56,750,000 in aggregate principal amount of the Board of Education of the County of Putnam, West Virginia Public School Bonds, Series 2010. The material contained in the Official Statement was compiled for and at the direction of the Board by Scott & Stringfellow, Inc., in its capacity as Financial Advisor to the Board.

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

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

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

By: _____
President

ATTEST:

By: _____
Secretary

Appendix A

Audited Financial Statements for the Fiscal Year Ended 2009

PUTNAM COUNTY BOARD OF EDUCATION
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**PUTNAM COUNTY BOARD OF EDUCATION
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**PUTNAM COUNTY BOARD OF EDUCATION
INDEX OF FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

GOVERNMENTAL FUND TYPES

General Current Expense

Special Revenue

Capital Projects Fund

FIDUCIARY FUND TYPE

Agency School Activities

**PUTNAM COUNTY BOARD OF EDUCATION
BOARD OFFICIALS
JUNE 30, 2009**

<u>Office</u>	<u>Name</u>	<u>Term</u>
	<u>Elective</u>	
Board Members:	Dr. Craig C. Spicer, D.D.S.	07/01/06 - 06/30/10
	William Legg	07/01/06 - 06/30/10
	Deborah F. Phillips	07/01/06 - 06/30/10
	Jack Coyner	07/01/08 - 06/30/12
	Dr. Sam P. Sentelle	07/01/08 - 06/30/12
	<u>Appointive</u>	
Board President	Dr. Craig C. Spicer, D. D. S.	07/01/08 - 06/30/10
Superintendent	Harold Hatfield	07/01/08 - 06/30/12
Treasurer	William D. Duncan, CPA	

SULLIVANWEBB, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
422 KINETIC DRIVE - P.O. BOX 2745
HUNTINGTON, WEST VIRGINIA 25727-2745
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BRUCE I. SULLIVAN, CPA
CHARLES D. WEBB, MBA, CPA

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

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Honorable Members of
Putnam County Board of Education
Winfield, West Virginia

We have audited the accompanying financial statements of the Putnam County Board of Education, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Putnam County Board of Education, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2010, on our consideration of Putnam County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 through 14 and 45 through 47 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Putnam County Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Also, the accompanying other supplementary information of the schedule of changes in School Activity Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements of Putnam County Board of Education. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



January 15, 2010

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Our discussion and analysis of the Putnam County Board of Education's (Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2009. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's assets exceeded liabilities by approximately \$60.7 million (net assets) at the close of the most recent fiscal year. Of this amount, the Board had unrestricted net assets of approximately \$3.3 million.
- The Board's total net assets increased by approximately \$9.6 million. This increase is attributable to an increase in capital assets net of accumulated depreciation of approximately \$4.8 million of which the Board received capital grants from the West Virginia School Building Authority (SBA). The construction costs are expenditures on the fund statements and capitalized assets on the district wide statements. The remaining amount of the increase was primarily due to the approximately \$6.2 million from the implementation of a new accounting principle, GASB Statement No. 45 regarding Other Post Employment Benefits (OPEB). This resulted in a one-time increase to net assets because the liability is now being amortized over a 30 year period with the new RHBT Trust Fund. Currently, the Board is required to report an OPEB liability in the fund statements as it accumulates and will eventually be responsible for repayment of the liability.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$10.3 million, an increase of approximately \$1.2 million in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was approximately \$6.5 million, or eight 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.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, and the capital projects fund, all of which are considered major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found in the basic financial statements following the governmental funds statements.

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 \$60.7 million at the close of the most recent fiscal year.

- The largest portion of the Board's net assets (95%) 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.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

- An additional portion of a Board's net assets represents resources that are subject to external restrictions on how they may be used. The Board did not have any restricted resources.
- The remaining balance of unrestricted net assets 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. At the end of June 30, 2009, the Board had an unrestricted net asset balance of approximately \$3.3 million. The increase from a \$4.0 million unrestricted net asset deficit in the prior year is attributable to capital grants from SBA for construction of capital assets. The construction costs are expenditures on the fund statements and capitalized assets on the district wide statements. The remaining amount of the increase was primarily due to the approximately \$6.2 million from the implementation of a new accounting principle, GASB Statement No. 45 regarding Other Post Employment Benefits (OPEB). This resulted in a one-time increase to net assets because the liability is now being amortized over a 30 year period with the new RHBT Trust Fund.
- The unrestricted net asset balance is lower than the average Board primarily as a result of the Board's net pension obligation for the supplemental pension plan provided to its employees. The unfunded net pension obligation liability at June 30, 2009 was approximately \$8.9 million. Only one other County Board of Education has such a plan in the State of West Virginia.

The following summarizes the statement of net assets at June 30, 2009 in comparison with the year ended June 30, 2008:

	2009 Governmental Activities	2008 Governmental Activities
ASSETS		
Current and other assets	\$ 23,378,543	\$ 21,401,101
Capital assets	59,836,480	55,073,337
Total assets	<u>\$ 83,215,023</u>	<u>\$ 76,474,438</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current and other liabilities	\$ 11,039,435	\$ 10,541,971
Long-term liabilities outstanding	11,500,187	14,895,771
Total liabilities	<u>22,539,622</u>	<u>25,437,742</u>
Net assets:		
Invested in capital assets, net of related debt	57,421,938	55,038,625
Restricted	-	-
Unrestricted	3,253,463	(4,001,929)
Total net assets	<u>60,675,401</u>	<u>51,036,696</u>
Total liabilities and net assets	<u>\$ 83,215,023</u>	<u>\$ 76,474,438</u>

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

The key elements of the changes in the Board's statement of net assets for the year ended June 30, 2009 are as follows:

- The Board's total net assets increased by approximately \$9.6 million. This increase is attributable to an increase in capital assets net of accumulated depreciation of approximately \$4.8 million of which the Board received capital grants from the SBA. The construction costs are expenditures on the fund statements and capitalized assets on the district wide statements. The remaining amount of the increase was primarily due to the approximately \$6.2 million from the implementation of a new accounting principle, GASB Statement No. 45 regarding Other Post Employment Benefits (OPEB). This resulted in a one-time increase to net assets because the liability is now being amortized over a 30 year period with the new RHBT Trust Fund. Currently, the Board is required to report an OPEB liability in the fund statements as it accumulates and will eventually be responsible for repayment of the liability.
- The Board's current and other assets increased by approximately \$2.0 million during the current fiscal year. This is due primarily to an increase in investments which was a result of the Board's excess of revenues over expenditures as noted in the fund statements.
- The Board's capital assets increased by approximately \$4.8 million, net of accumulated depreciation. This increase is primarily the result of the construction at Mountain View, Eastbrook, and Scott Teays Elementary Schools. In addition, the Board purchased land adjacent to Hurricane High School for \$2.5 million.
- The Board's current liabilities remained basically unchanged.
- The Board's long-term liabilities decreased by approximately \$3.4 million. This net decrease was the result of the following activity: (1) long-term debt decreased by approximately \$5.9 million (net) as a result of the implementation of GASB Statement No 45 for the OPEB liability; (2) the Board acquired a parcel of property and entered into a long-term capital lease which increased long-term debt by approximately \$2.4 million; and (3) the remainder of the increase of approximately \$.1 million was the result of the increase in the long-term portion of the Board's supplemental pension plan.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

The following summarizes the statement of activities at June 30, 2009 in comparison with the year ended June 30, 2008:

	<u>2009 Governmental Activities</u>	<u>2008 Governmental Activities</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,164,071	\$ 1,076,243
Operating grants and contributions	10,007,096	10,295,517
Capital grants and contributions	1,870,411	6,133,028
General revenues:		
Property taxes	31,792,861	31,241,023
Unrestricted state aid	48,370,832	44,181,220
Unrestricted investment earnings	263,956	587,001
Unrestricted grants and contributions	-	-
Total revenues	<u>93,469,227</u>	<u>93,514,032</u>
Expenses:		
Instruction	<u>55,753,210</u>	<u>51,053,409</u>
Supporting services:		
Students	2,776,389	2,433,754
Instructional staff	2,821,868	2,835,203
District admin.	1,396,156	1,212,633
School admin.	5,299,275	4,707,487
Business services	1,810,002	1,651,503
Operation and Maintenance	8,615,162	7,698,003
Transportation	5,805,308	5,511,754
Total supporting services	<u>28,524,160</u>	<u>26,050,337</u>
Food services	5,680,470	5,422,222
Community services	155,821	157,682
Interest on long-term debt	-	-
Total expenses	<u>90,113,661</u>	<u>82,683,650</u>
Change in net assets before transfers	3,355,566	10,830,382
Transfers		
Change in net assets	<u>3,355,566</u>	<u>10,830,382</u>
Net assets - July 1 (2009 restated)	<u>57,319,835</u>	<u>40,206,314</u>
Net assets - June 30	<u>\$ 60,675,401</u>	<u>\$ 51,036,696</u>

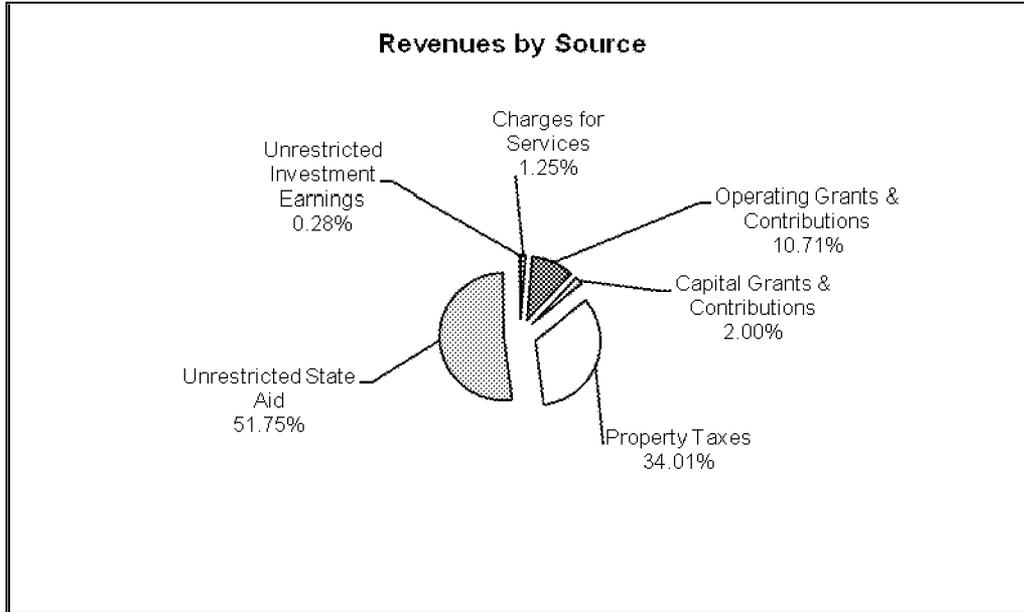
The key elements of the changes in the Board's statement of activities for the year ended June 30, 2009 are as follows:

- The Board's capital grants decreased by approximately \$4.3 million due to several SBA projects under construction during 2008 that were completed in 2009.
- The Board's unrestricted state aid revenue increased by approximately \$4.2 million. This increase was due primarily to salaries and benefits of \$2.1 million, bus replacement of \$0.1 million. In addition, the Board implemented GASB Statement 45 and as a result recognized as revenue credits made on behalf of the Board by the State of West Virginia in the approximate amount of \$2.0 million.
- Instructional expenses increased by approximately \$4.7 million due to an increase in salaries and related fixed charges resulting from raises approved by the West Virginia Legislature and increased personnel.

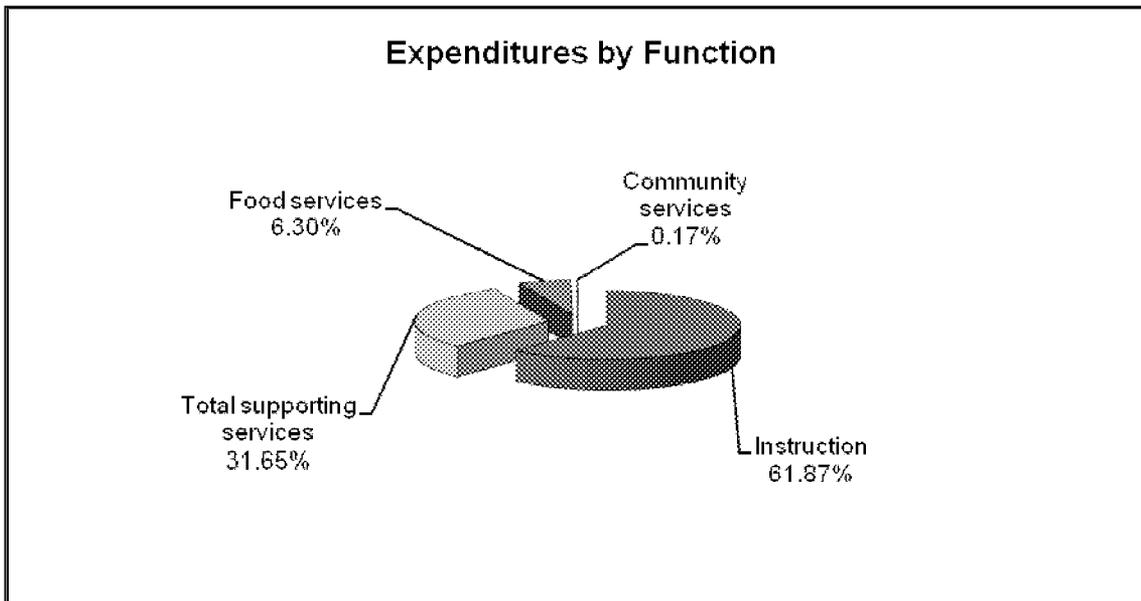
**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

- Operation and maintenance expenses increased by approximately \$917 thousand primarily due to increases in salaries/benefits, utilities, general repairs and maintenance, and reductions of capital expenditures.

The following chart shows the Board's revenues for fiscal year ended June 30, 2009 by source:



The following chart shows the Board's expenditures for fiscal year ended June 30, 2009 by function:



**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Financial Analysis of the Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately \$10.3 million. The net change in fund balance was an increase of approximately \$1.2 million which was due to an increase in net income resulting primarily from increases in unrestricted state aid and property tax revenue.

In addition, the following other changes in individual fund balances should be noted:

- The General Current Expense Fund (the operating fund) showed an increase of \$759,754 due to an increase in the Board's Unrestricted State Aid Revenue of approximately \$4.2 million. The increase in revenue was partially offset by increased salaries and benefits, as well as expenses reported relating to the implementation of GASB Statement 45.
- The special Revenue Fund showed a decrease of \$235,148 due to a change in encumbrances outstanding for the current year as compared to the previous year.
- The Capital Projects Fund showed an increase of \$649,839 due to funds transferred from the General Fund to match School Building Authority projects at Scott Teays Elementary, Hurricane Town Elementary, and School Access Safety projects at various schools.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the Board's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the Board's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. There were no Board designated amounts as of June 30, 2009.

Fund Balances for Individual Governmental funds at June 30, 2009, are as follows:

General Current Expense	\$ 7,696,876
Special Revenue Fund	139,457
Capital Projects Fund	<u>2,464,921</u>
Total Governmental Funds	\$ <u>10,301,254</u>

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was approximately \$4.1 million or five percent in total general fund expenditures. The most significant differences are related to budget carryover transactions.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2009, amounts to approximately \$59.8 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 \$4.7 million. The increase represented the amount of capital asset additions in excess of depreciation expense.

- Construction in process decreased \$7.6 million. The New Teays Elementary, Eastbrook Elementary, and SBA School Safety Projects were completed and transferred to Buildings and Furniture; and construction projects were begun at Scott Teays Elementary, Hurricane Town Elementary, and School Building Authority Safety Projects at various schools.
- Furniture and equipment increased primarily from the completion of the New Teays Elementary School project.
- Vehicles increased primarily due to the purchase of eight new school buses.
- Buildings increased due to the completion of the New Teays Elementary School, Eastbrook Elementary, and School Safety Projects.
- Land increased by \$2.5 million due to the purchase of land adjacent to Hurricane High School.

Major capital asset at June 30, 2009 in comparison with the year ended June 30, 2008 are as follows:

	2009	2008
	Governmental	Governmental
	Activities	Activities
Land	\$ 5,760,196	\$ 3,260,196
Buildings and improvements	48,300,350	39,338,736
Land improvements	507,675	458,846
Furniture and equipment	1,323,508	785,510
Vehicles	3,182,974	2,870,174
Construction in process	761,777	8,359,875
Total capital assets	\$ 59,836,480	\$ 55,073,337

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

Long-term debt. At the end of the current fiscal year, the Board had no bonded debt. The Board did increase the outstanding capital lease obligation with the purchase of a parcel of property in the amount of \$2.5 million.

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 16 - For the fiscal year ended June 30, 2008, the Board included in compensated absences an estimate amount for accrued personal leave using the guidance provided in GASB Statement 16. The liability associated with accrued personal leave will be included as a part of other post employment benefits when the Board implements GASB 45 reporting requirements for the fiscal year ended June 30, 2009.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

GASB 45 – The Board implemented GASB Statement 45 reporting requirements *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2009. In addition to pensions, many state and local governmental employers provide *other postemployment benefits* (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

As a result of these changes, the Board's long term obligations decreased by approximately \$6.8 million as a result of adoption of GASB Statement No. 45. However, the new OPEB liability of \$896 thousand is expected to continue and grow as the Board is billed annually for these amounts.

In addition to participating in the State of West Virginia Teachers Retirement System, the Board has a single-employer defined benefit plan. This plan provides certain benefits to retirees of the Board who were hired prior to July 1, 1990. These benefits are paid based upon a calculation which includes years of service up until death of the retiree. The obligation for this liability was approximately \$8.9 million at June 30, 2009.

Long term debt at June 30,2009 in comparison with the year ended June 30, 2008 as follows:

	2009 Governmental Activities	2008 Governmental Activities
Capital Lease obligations	\$ 2,414,542	\$ 34,712
Net pension obligation	8,914,512	8,769,879
Compensated absences	290,044	270,034
OPEB liability	895,537	-
Accrued sick leave	-	6,814,894
Total debt outstanding	\$ 12,514,635	\$ 15,889,519

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, 2008, 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, 2009 the Board had a liability of approximately \$896 thousand of which a portion of this liability 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 provide an additional appropriation for a portion of the State Aid eligible employees OPEB cost for 2009 in the amount of \$2.0 million. Without this appropriation, the Board would have had an additional unfunded liability that would have been the responsibility of the County. Currently, the State of West Virginia has not appropriated any such amounts for the 2010 fiscal year which could result in a significant increase in the Board's liability for future years. As a result of the OPEB issue, many of the other County school systems have begun to

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended June 30, 2009

pursue legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing OPEB to employees otherwise funded through the program.

- On August 29, 2009, the voters of Putnam County approved the issuance of \$56,750,000 in construction bonds. In addition, the School Building Authority of West Virginia awarded Putnam County a grant in the amount of \$21,745,763. A combined total of \$78,495,763 in construction projects are now planned for the County. Further details can be found in the Notes to the Financial Statements.
- The Board will receive approximately \$913,899 in additional Title I funds and approximately \$2,517,592 in Individual with Disabilities Education Act funds from the American Recovery and Reinvestment Act during 2009.

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 at 9 Courthouse Drive, Winfield, West Virginia 25213.

PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUN E 30, 2009

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,195,529
Investments	12,003,821
Prepaid expenses	500
Taxes receivable, net of allowance for uncollectible taxes	1,794,090
Food services receivable	194,771
Other receivables	892,489
Deferred Charges - issuance costs	-
Due from other governments:	
State aid receivable	433,740
PEIA allocation receivable	1,133,816
Reimbursements receivable	729,787
Capital Assets:	
Land	5,760,196
Buildings and improvements	61,663,361
Land improvements	3,530,409
Furniture and equipment	3,207,879
Vehicles	9,794,804
Construction in process	761,777
Less accumulated depreciation	(24,881,946)
Total capital assets, net of depreciation	59,836,480
Total assets	83,215,023
LIABILITIES AND NET ASSETS	
Liabilities:	
Salaries payable and related payroll liabilities	6,751,577
Workers' compensation payable	47,221
PEIA premiums payable	2,209,400
Compensated absences	290,044
Accounts payable	553,216
Deferred revenue	463,573
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	210,994
Accrued interest	-
Net pension obligation	513,410
OPEB liability	-
Due beyond one year:	
Bonds, capital leases, and contracts	2,203,548
Net pension obligation	8,401,102
OPEB liability	895,537
Total liabilities	22,539,622
Net Assets:	
Invested in capital assets, net of related debt	57,421,938
Restricted for:	
Debt service	-
Special projects	-
Worker's compensation	-
Capital projects	-
Unrestricted	3,253,463
Total net assets	\$ 60,675,401

See Notes to Financial Statements

PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
June 30, 2009

Functions	Expenses	Program Revenues		Net (Expense), Revenue & Changes in Net Assets Governmental Activities	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
Instruction	\$ 55,753,210	\$ 195,845	\$ 1,896,225	\$ 1,237,277	\$ (52,423,863)
Supporting services:					
Students	2,776,389	897,747	230,785	61,536	(1,586,321)
Instructional staff	2,821,868	20,399	4,131,413	62,659	1,392,603
District administration	1,396,156	1,570	4,571	31,049	(1,358,966)
School administration	5,299,275	5,950	17,322	117,649	(5,158,354)
Business services	1,810,002	2,034	5,921	40,214	(1,761,833)
Operation and maintenance of facilities	8,615,162	9,667	28,145	191,156	(8,386,194)
Student transportation	5,805,308	6,517	118,974	128,871	(5,550,946)
Food services	5,680,470	7,845	3,573,740	-	(2,098,885)
Community services	155,821	16,497	-	-	(139,324)
Interest on LTD	-	-	-	-	-
Total governmental activities	90,113,661	1,164,071	10,007,096	1,870,411	(77,072,083)
General revenues:					
Property taxes					31,792,861
Unrestricted state aid					48,370,832
Unrestricted investment earnings					263,956
Unrestricted grants and contributions					-
Transfers in					4,165,150
Transfers (out)					(4,165,150)
Total general revenues and transfers					80,427,649
Change in net assets					3,355,566
Net assets - beginning, as restated					57,319,835
Net assets - ending					\$ 60,675,401

See Notes to Financial Statements

PUTNAM COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	General Current Expense	Special Revenue Fund	Capital Projects Fund	Total Governmental
ASSETS				
Cash and cash equivalents	\$ 3,586,563	\$ -	\$ 2,608,966	\$ 6,195,529
Investments	12,003,821	-	-	12,003,821
Prepaid expenses	500	-	-	500
Taxes receivable, net	1,794,090	-	-	1,794,090
Food service receivable, net	-	194,771	-	194,771
Other receivables	634,381	-	258,108	892,489
Due from other governments:				
State aid receivable	404,465	29,275	-	433,740
PELA allocation receivable	1,133,816	-	-	1,133,816
Reimbursements receivable	-	729,787	-	729,787
Due from other funds	49,129	-	-	49,129
Total assets	\$ 19,606,765	\$ 953,833	\$ 2,867,074	\$ 23,427,672

LIABILITIES AND FUND BALANCES

Liabilities:

Salaries payable and related payroll liabilities	\$ 6,617,358	\$ 134,219	\$ -	\$ 6,751,577
Workers' compensation payable	47,221	-	-	47,221
PELA premiums payable	2,209,400	-	-	2,209,400
Accounts payable	128,611	22,452	402,153	553,216
OPEB liability	895,537	-	-	895,537
Deferred revenue	2,011,762	608,576	-	2,620,338
Due to other funds	-	49,129	-	49,129
Total liabilities	11,909,889	814,376	402,153	13,126,418

Fund Balances:

Reserved for:				
Encumbrances	1,192,110	214,871	3,164,742	4,571,723
Debt service	-	-	-	-
Special projects	-	-	-	-
Worker's compensation	-	-	-	-
Arbitrage payments	-	-	-	-
Excess levies	-	-	-	-
Capital projects	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated	6,504,766	(75,414)	(699,821)	5,729,531
Total fund balances	7,696,876	139,457	2,464,921	10,301,254

TOTAL LIABILITIES AND FUND BALANCES

\$ 19,606,765	\$ 953,833	\$ 2,867,074	\$ 23,427,672
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Total governmental fund balance \$ 10,301,254

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

 Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the funds 59,836,480

Deferred charges are not reported in the funds -

Property taxes, Medicaid reimbursement, E-Rate reimbursement, and the food service billings receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds 2,156,765

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	-
Accrued interest on bonds	-
Net pension obligation	(8,914,512)
Capital lease borrowings	(2,500,000)
Capital leases payable	85,458
Compensated absences	(290,044)

Net assets of governmental activities \$ 60,675,401

See Notes to financial Statements

PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
June 30, 2009

	General Current Expense	Special Revenue Fund	Capital Projects Fund	Total Governmental
Revenues:				
Property taxes	\$ 31,873,277	\$ -	\$ -	\$ 31,873,277
Other Local sources	686,011	1,815,203	-	2,501,214
State sources	47,449,875	2,845,937	1,853,360	52,149,172
Federal sources	860,503	5,991,072	-	6,851,575
Miscellaneous sources	99,184	32,357	-	131,541
Total revenues	80,968,850	10,684,569	1,853,360	93,506,779
Expenditures:				
Instruction	48,942,003	4,931,636	-	53,873,639
Supporting services:				
Students	2,287,726	487,938	-	2,775,664
Instructional staff	2,168,087	653,151	-	2,821,238
Central administration	1,241,010	103,344	-	1,344,354
School administration	5,274,334	23,556	-	5,297,890
Business	1,809,565	-	-	1,809,565
Operation and maintenance of facilities	8,892,314	304,357	59,132	9,255,803
Student transportation	5,887,343	729,312	-	6,616,655
Food services	150,920	5,366,803	-	5,517,723
Community services	155,821	-	-	155,821
Capital outlay	224,913	25,123	2,613,946	2,863,982
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	77,034,036	12,625,220	2,673,078	92,332,334
Excess (deficiency) of revenues over expenditures	3,934,814	(1,940,651)	(819,718)	1,174,445
Other financing sources (uses):				
Transfers in	87,560	1,793,063	2,284,527	4,165,150
Transfers (out)	(3,262,620)	(87,560)	(814,970)	(4,165,150)
Total other financing sources (uses)	(3,175,060)	1,705,503	1,469,557	-
Net change in fund balances	759,754	(235,148)	649,839	1,174,445
Fund balances - beginning	7,468,877	374,605	1,815,082	9,658,564
Restatement of fund balance	(531,755)	-	-	(531,755)
Fund balances - beginning, as restated	6,937,122	374,605	1,815,082	9,126,809
Fund balances - ending	\$ 7,696,876	\$ 139,457	\$ 2,464,921	\$ 10,301,254

See Notes to Financial Statements

**PUTNAM COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30,2009**

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

Net change in fund balances - total governmental funds \$ 1,174,445

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	(1,565,309)
Capital outlays	6,333,191

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. (37,549)

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. 120,170

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	(193,614)
Accumulated depreciation of assets disposed	188,875

Compensated absences are reported as liabilities in the statement of net assets, but are only reported in government funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.

Accrued vacation payable	(20,010)
Capital lease payable	(2,500,000)

Increase in the estimated net pension obligation during the year. (144,633)

Change in net assets of governmental activities \$ 3,355,566

See Notes to Financial Statements

**PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
June 30,2009**

	Agency Funds School Activity Funds
ASSETS	
Cash and cash equivalents	\$ 1,206,603
Receivables	-
Total assets	\$ 1,206,603
 LIABILITIES	
Due to other funds	\$ 1,206,603
Total liabilities	\$ 1,206,603

See Notes to Financial Statements

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

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 Putnam County Board of Education (School Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school district and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement 14 establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the School Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable.

B. District-wide and fund financial statements:

The *district-wide financial statements* (the statement of net assets and the statement of activities) display information about the School Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

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.

PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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.

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: Regional education service agencies (RESA's) and multi-county vocational centers (MCVC's) for the purpose of providing high quality, cost effective educational programs and to provide vocational training, respectively, in which the county board of education serves as the fiscal agent; 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 *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 30/60 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.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances:

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2009 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 Board maintains one bank account for all funds. However, the financial statements reflect cash balances in the individual funds as if these are individual bank accounts for each fund.

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, 2009 consisted of the following:

	Carrying Amount	Estimated	Bank
	Balance	Fair Value	
State Investment Pool	\$ 3,821	\$ 3,821	\$ 3,821
Certificates of deposit	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total investments	<u>\$ 12,003,821</u>	<u>\$ 12,003,821</u>	<u>\$ 12,003,821</u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by \$509,025 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

<u>Year</u>	<u>Accounts Receivable</u>	<u>Uncollectible Accounts</u>	<u>Net Receivable</u>
Prior to FY05	\$37,082.83	\$37,082.83	\$0
FY05	52,037.80	52,037.80	0
FY06	123,884.64	123,884.64	0
FY07	95,175.60	95,175.60	0
FY08	105,425.46	105,425.46	0
<u>FY09</u>	<u>290,188.51</u>	<u>95,418.68</u>	<u>194,769.83</u>
Total	<u>\$703,794.84</u>	<u>\$509,025.01</u>	<u>\$194,769.83</u>

G. Interfund receivables and payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Inventories:

The Board considers inventories of materials and supplies expended at the time of purchase; therefore, they do not appear in the Board's financial statements.

I. 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.

J. 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

**PUTNAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009**

recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	80
Site Improvements	20 – 35
Furniture and Equipment	5 – 20
Vehicles	8 – 12

K. Compensated Absence:

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick benefits can be accumulated up to thirty (30) and unlimited days, respectively, and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred. In lieu of a cash payment at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

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. Restricted Net Assets:

For the district-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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N. 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, 2009.

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.

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.

R. Recent Accounting Statements:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the Board beginning with its year ending June 30, 2010. This statement provides guidance regarding whether and when intangible assets should be considered capital assets for financial reporting purposes. The Board has not yet determined the effect that the adoption of this GASB Statement may have on the financial statements.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the Board beginning with its year ending June 30, 2010. This statement addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by the State or local government. The Board has not yet determined the effect that the adoption of this GASB Statement may have on the financial statements.

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

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

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

1. Pursuant to State statute, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.
2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

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

B. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2009, 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.

General Current Expense Fund:

	<u>Function</u>	<u>Amount</u>
Supporting Services:		
	Students	\$ 138,653
	Instructional Staff	121,894
	School Administration	206,866
	Business	325
	Student Transportation	52,487
Food Service		150,920

The above overdrafts are caused entirely by the journal entries to book the OPEB Liability for fiscal years FY08 and FY09.

Special Revenue Fund:

	<u>Function</u>	<u>Amount</u>
	Food Service	\$7,094

The above overdraft is caused entirely by the journal entry to book the expenditures of Federal Food Service Commodities received at USDA values.

**PUTNAM COUNTY BOARD OF EDUCATION
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C. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2009:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund	\$235,148

Funds sufficient to provide for the excess expenditures were made available from other sources within each fund and the deficiency had no impact on the financial results of the Funds.

Note 3 – Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 16 – For the fiscal year ended June 30, 2008, the Board included in compensated absences an estimate amount for accrued personal leave using the guidance provided in GASB Statement 16. The liability associated with accrued personal leave has been included as a part of other post employment benefits when the Board implemented GASB 45 reporting requirements for the fiscal year ended June 30, 2009.

GASB 45 – The Board implemented GASB Statement 45 reporting requirements *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2009. In addition to pensions, many state and local governmental employers provide *other postemployment benefits* (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

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

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

Also in the prior year, the Board was billed for other postemployment benefits that were not paid. This current liability was not reported in the prior year because GASB 45 implementation was not required for the Board until fiscal year ending June 30, 2009. An adjustment was made to beginning fund balance and beginning net assets to add that balance to the figures previously reported.

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Restatement of Net Assets:

Net Assets – July 1, 2008, as previously reported	\$ 51,036,696
Add: Long-term obligations – sick leave payable	6,814,894
Less: Current liability – other postemployment benefits payable attributable to fiscal year 2008	<u>(539,072)</u>
Net Assets – July 1, 2008, adjusted due to adoption of accounting policy	\$ <u>57,312,518</u>

Restatement of Fund Balance:

Fund Balance – July 1, 2008, as previously reported	\$ 7,468,877
Less: Current liability – other postemployment benefits payable attributable to fiscal year 2008	<u>(539,072)</u>
Fund Balance – July 1, 2008, adjusted due to adoption of accounting policy	\$ <u>6,937,122</u>

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.

PUTNAM COUNTY BOARD OF EDUCATION
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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 could begin to offer coverage to private-sector employers beginning July 1, 2008 and to government employers July 1, 2012. Nearly every employer in the State, including all boards of education, who have a payroll must have coverage. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Note 5 - Property Taxes:

All property in the State is classified as follows for ad valorem tax purposes:

Class I - All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.

Class II - All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.

Class III - All real and personal property situated outside of municipalities, exclusive of Class I and II property.

Class IV - All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code §11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I - 22.95¢ per \$100 of assessed valuation; Class II - 45.90¢ per \$100 of assessed valuation; Class III - 91.80¢ per \$100 of assessed valuation; and Class IV - 91.80¢ per \$100 of assessed valuation.

Pursuant to West Virginia Code §11-8-6f, however, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessors Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2009 were:

	<u>Class of Property</u>	<u>Assessed Valuations For Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>
Class I	\$	0	19.40¢	22.95¢
Class II	\$	1,219,724,517	38.80¢	45.90¢
Class III	\$	1,144,441,489	77.60¢	91.80¢
Class IV	\$	153,748,022	77.60¢	91.80¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

Note 6 - Excess Levy:

The Board had an excess levy in effect during the fiscal year ended June 30, 2009. The levy was authorized by the voters of the county at an election held on October 22, 2005 for the fiscal years ended June 30, 2007 through June 30, 2011 to provide funds for the following purposes:

- a) To provide for new buildings, building additions, renovations and repairs to existing buildings, and equipping buildings, approximately \$1,100,000.
- b) To provide toward employee salaries/benefits:
 - 1) Local county salary supplements, substitute costs, and fixed charges, approximately \$8,091,826.
 - 2) Extended employment for summer maintenance, approximately \$85,000.
 - 3) Overtime wages, approximately \$50,000.
 - 4) Extra duty bus wages for academic and athletic trips, approximately \$55,000.
 - 5) Extra duty salary supplements:
 - Curricular positions, approximately \$277,000.
 - Athletic positions, approximately \$348,000.
 - 6) Dental and optical insurance, approximately \$740,000.
- c) To provide support to the public library, approximately \$120,000. To provide support to the Putnam County 4-H, approximately \$31,600.
- d) To provide for the purchase of instructional equipment/furniture, teaching supplies, textbooks, and library books, approximately \$1,200,000.
- e) To provide for allowances to retired employees, approximately \$465,000.

PUTNAM COUNTY BOARD OF EDUCATION
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Limitation: For each fiscal year beginning on and after July 1, 2006, the Board of Education of the County of Putnam shall reduce the levy rate proportionately for all classes of property when increased assessed valuations, excluding appraisal or valuation due to new construction or improvements to existing real property, including beginning recovery of natural resources and newly acquired personal property, would cause an increase of more than four percent (4%) in the total projected property tax revenues from the previous year's projected property tax revenues. In such event the levy rate shall be reduced so as to cause such rate to produce no more than one hundred four percent (104%) from all classes of property, excluding appraisal or valuation from new construction or improvements to existing real property, including beginning recovery of natural resources and newly acquired personal property, of the previous year's projected property tax revenues from all property.

The Board of Education of the County of Putnam is hereby authorized and empowered to expend, during the term of this levy, the surplus if any, accruing in excess of the amounts needed for any of the above stated purposes, or for the enrichment, supplementation and improvement of educational services and/or facilities in the public schools of the County of Putnam.

Limitation: Provided, however, that subject the expenditure of such surplus funds for purposes associated with legal and contractual obligations, surplus funds (in the amount representing the difference in the maximum levy rate allowed by law and a 95% levy rate) shall be dedicated to new buildings, building additions, renovations and repairs to existing buildings, and equipping buildings.

A total of \$17,790,697 was received by the Board from the excess levy during the fiscal year ended June 30, 2009.

PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 7 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2009, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	\$ 3,260,196	\$ 2,500,000	\$ -	\$ 5,760,196
Construction in process	8,359,875	2,594,751	(10,192,849)	761,777
Total non-depreciable capital assets	<u>11,620,071</u>	<u>5,094,751</u>	<u>(10,192,849)</u>	<u>6,521,973</u>
Capital assets, depreciable:				
Buildings and improvements	51,837,861	9,825,500	-	61,663,361
Land improvements	3,410,838	119,571	-	3,530,409
Furniture and equipment	2,719,619	657,874	(169,614)	3,207,879
Vehicles	8,990,460	828,344	(24,000)	9,794,804
Total depreciable capital assets	<u>66,958,778</u>	<u>11,431,289</u>	<u>(193,614)</u>	<u>78,196,453</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,499,125)	(863,886)	-	(13,363,011)
Land Improvements	(2,951,992)	(70,742)	-	(3,022,734)
Furniture and equipment	(1,934,109)	(115,137)	164,875	(1,884,371)
Vehicles	(6,120,286)	(515,544)	24,000	(6,611,830)
Total accumulated depreciation	<u>(23,505,512)</u>	<u>(1,565,309)</u>	<u>188,875</u>	<u>(24,881,946)</u>
Total depreciable capital assets, net	<u>43,453,266</u>	<u>9,865,980</u>	<u>(4,739)</u>	<u>53,314,507</u>
Total capital assets, net	<u>\$ 55,073,337</u>	<u>\$ 14,960,731</u>	<u>\$ (10,197,588)</u>	<u>\$ 59,836,480</u>

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

Instruction	\$1,314,652
Supporting Services:	
Central administration	64,696
School administration	-
Operation and maintenance of facilities	-
Transportation	15,892
Food services	<u>170,069</u>
Total Depreciation expense - governmental activities	<u>\$1,565,309</u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 8 - Long-term debt:

Long-term liability activity for the year ended June 30, 2009 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated absences	270,034	20,010	-	290,044	290,044	-
Accrued sick leave	6,814,894	-	6,814,894	-	-	-
OPEB liability	-	895,537	-	895,537	-	895,537
Net pension obligation	8,769,879	144,633	-	8,914,512	513,410	8,401,102
Capital lease payable	34,712	2,500,000	120,170	2,414,542	210,994	2,203,548
Long-term liabilities	<u>\$ 15,889,519</u>	<u>\$ 3,560,180</u>	<u>\$ 6,935,064</u>	<u>\$ 12,514,635</u>	<u>\$ 1,014,448</u>	<u>\$ 11,500,187</u>

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.

The Board has entered into a capital lease-purchase agreement whereby land has been acquired adjacent to Hurricane High School (for the purchase price of \$2,500,000). The lease began on February 23, 2009 and expires on February 23, 2019. At the end of the contract period, the Board will have ownership of the land. By contract, the Board has the option of discontinuing the lease/purchase 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, 2009, are as follows:

<u>Year</u>	
2010	\$ 303,735
2011	303,735
2012	303,735
2013	303,735
2014	303,735
2015	303,735
2016	303,735
2017	303,735
2018	303,735
2019	<u>177,179</u>
Total minimum lease payments	2,910,794
Less: Amount representing interest	<u>496,252</u>
Present value of minimum lease payments	<u><u>\$2,414,542</u></u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

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, 2009, the Board's total payroll for all employees was \$54,349,949 and the payroll was \$51,324,853 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.

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 2008 Actuarial Valuation Report of the Teachers' Retirement System, the plan's Unfunded Actuarial Accrued Liability (UAAL) was \$4.1 billion as of July 1, 2008.

**PUTNAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2009 and the two previous years were:

<u>Year ended June 30</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Required contributions	\$ 327,068,000	\$ 345,412,000	\$ 404,547,000
As a % of current year covered payroll	23.50 %	23.30 %	25.89 %

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2009 were:

Employees' contributions (6%)	\$	2,507,209
Employer's contributions (15% or 7.5%)		<u>4,538,797</u>
Total contributions	\$	<u>7,046,006</u>

Teachers' Defined Contribution Retirement System:

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

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the 2008-2009 fiscal year. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Vanguard Money Market Fund, Bond Fund of America, Franklin Income Fund, Fidelity Growth Opportunities, Washington Mutual Investors, Federated Max-Cap, and Valic Individually Allocated Fixed Annuity.

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

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

June 30, 2008, this plan had approximately \$946.7 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great-West Retirement Services, 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 2009 were:

Employees' contributions (4.5%)	\$	429,218
Employer's contributions (7.5%)		715,361
 Total contributions	 \$	 <u><u>1,144,579</u></u>

Note 11. Post Employment Benefits Other Than Pension:

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

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards 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, 2009 was determined to be:

			Amount/ Total Policy Holder
Total Annual Required Contribution	\$ 338,166,000	\$	4,658.58
Pay as you go – Retiree Subsidy	(143,448,760)		(1,976.15)
Appropriation:			
Excess Lottery Funds	(46,600,000)		(743.97)
State General Revenue Transfer	(30,730,000)		(490.60)
State Debt Reduction Fund (Table Games)	<u>(13,800,000)</u>		<u>(220.32)</u>
Remaining ARC	<u>\$103,587,240</u>	\$	<u>1,227.54</u>
The following summarizes the Board's OPEB activity:			
Cumulative OPEB at beginning of year (per restatement)			539,072
Total OPEB expense for 2009			4,486,931
Less:			
State appropriation allocation for 2009			1,977,945
Pay as you go payments and other credits for 2009			<u>2,152,521</u>
Cumulative OPEB at year end		\$	<u>895,537</u>

**PUTNAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009**

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 - Employee Retirement Systems and Plans

In addition to participating in the State of West Virginia Teachers Retirement System, the Board also participates in a single employer public employee retirement system. All full-time board of education professional and service personnel hired before July 1, 1990 are eligible to participate in the defined benefit retirement plan. Unless otherwise indicated, the information in this Note is provided as of the latest actuarial valuation of July 1, 2009. Actuarial valuations are required to be performed on a biennial basis.

Membership of the plan is as follows:

Active Employees	339
Retirees/Disability Pensions Receiving Benefits	<u>496</u>
Total	835

The following is a summary of funding policies, contribution methods and benefit provisions.

Determination of Contribution Requirements	Actuarially determined
Employer	Monthly benefit is equal to \$3.50 for each year of service in Putnam County. This is currently approximately \$500,000 per year. There is no plan assets set aside to fund this liability.
Plan Members	No contributions
Period Required to Vest/ Eligibility for Distribution	Eligibility for benefits is as follows: <ol style="list-style-type: none"> 1) Employees with a minimum of five years of service in Putnam County who retire from Putnam County. 2) Employees with a minimum of twenty years of service in Putnam County who retire from another system or position. 3) Employees with a minimum of five years of service in Putnam County who become permanently disabled during service in the County.
Post-Retirement Benefit Increases	Increases will only occur upon Board action to increase the benefit.
Provisions for:	
Disability Benefits	Yes
Death Benefits	No – Payment shall continue through the month in which death occurs and will not continue thereafter to survivors.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

Annual Required Contributions and Significant Actuarial Assumptions

The actuarial assumptions and other information used to determine the annual required contributions (ARC) are as follows:

Valuation Date	7/1/2009
Actuarial Asset Valuation Method	Market Value, if any
Amortization	20 year
Actuarial Assumptions:	
Investment Rate of Return	5.25%
Projected Salary Increases	3.00% per year
Post Retirement Benefit Increases	None
Inflation	3.00%

Annual Pension Cost, Net Pension Obligation and Reserves

Current year annual pension costs for the plan are shown in the trend information provided below. The annual required contributions were not made. The net pension obligation is also listed below.

Reserves

There are no assets legally reserved for purposes other than the payment of plan members' benefits for either plan.

Annual Pension Cost and Net Pension Obligation (NPO)

The Board's annual pension cost and net pension obligation is as follows:

Annual required contribution	\$ 694,123
Interest on short-term	-
Adjustment to annual required contribution	<u>43,624</u>
Annual pension cost	737,747
Contributions made	<u>(593,114)</u>
Increase in net pension obligation	144,633
Net pension obligation at beginning of the year	<u>8,769,879</u>
Net pension obligation at the end of the year	<u>\$ 8,914,512</u>

Trend Information

<u>Fiscal Year</u>	<u>Net Pension Obligation</u>
2009	\$8,914,512
2008	\$8,769,879
2007	\$8,769,711
2006	\$8,698,831

**PUTNAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009**

Note 13 - Pending Litigation:

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

Note 14 - Restatement of Beginning Fund Balance:

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

	General Current <u>Expense Fund</u>
Fund Balance at June 30, 2008, as previously stated	\$ <u>7,468,877</u>
Total Adjustments (See Below)	<u>(531,755)</u>
Fund Balance at June 30, 2008, Restated	\$ <u><u>6,937,122</u></u>

The adjustments consisted of the following:

- The Board cancelled checks issued in prior years totaling \$7,317 (net).
- The amount to book the beginning balance of the OPEB liability is \$539,072 as disclosed in Note 3.

Note 15 - Commitments, Contingencies and Subsequent Events:

During the fiscal year ended June 30, 2009, some County Boards of Education began pursuing legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability for other post-employment benefits payable related to state aid eligible employees and to pay any future amounts billed by PEIA for state aid eligible employees.

On July 1, 2008, the Board was awarded a grant in the amount of \$326,586 from the School Building Authority (SBA), which required a commitment of \$48,988 of local funds. Additionally, on July 1, 2009 the board was awarded a grant in the amount of \$165,689 from the School Building Authority (SBA), which required a commitment of \$29,239 of local funds. These grants and local funds are to finance School Safety Access Plans throughout the County.

On April 21, 2008, the Board was awarded a grant in the amount of \$2,447,228 from the School Building Authority (SBA) to finance renovations of the existing building and building additions at Scott Teays Elementary School. Also, the Board has committed \$1,100,599 of local funds to complete the project. The expected completion date is the fall of 2010.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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On December 8, 2008, the Board was awarded a grant in the amount of \$594,657 from the School Building Authority (SBA) to finance a four-classroom addition with restrooms at Hurricane Town Elementary School. Also, the Board has committed \$366,555 of local funds to complete the project. The approximate cost of this project is \$961,000. The expected completion date is December 2009.

On July 1, 2009, the Board was awarded a grant up to \$176,250 from the School Building Authority (SBA) to finance a roof for Buffalo Elementary School. Also, the Board has committed up to \$58,750 of local funds to complete the project.

On September 9, 2009, land was purchased for construction of a new Confidence Elementary School at a cost of \$330,000.

As of June 30, 2009, 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:

Roofing – Putnam Career & Technical Center	\$	355,597
Modular Classrooms – G.W. Elementary & Rock Branch		492,780

On August 29, 2009, voters of Putnam County approved the issuance of bonds in the principal amount of fifty-six million seven hundred fifty thousand dollars (\$56,750,000). On April 20, 2009, the School Building Authority (SBA) approved a school construction grant for Putnam in the amount of twenty-one million seven hundred forty-five thousand seven hundred thirty six dollars (\$21,745,736) contingent upon successful passage of the local bond issue. Proceeds of the bonds and the SBA Grant will be expended as follows:

Winfield Middle School -		21,745,736
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Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms, and faculty planning, to house approximately 650 students in grades 6-8.

Winfield Elementary School -		788,265
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Construct a new gymnasium, including storage, containing approximately 3,800 square feet.

Poca Middle/Elementary School -		21,587,255
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Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms, and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovations of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

Buffalo High School -	20,583,810
Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms, and faculty planning, to house approximately 400 students in grades 9-12.	
Confidence Elementary School -	8,825,470
Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms, and faculty planning, to house approximately 250 students in grades PK-5.	
Hurricane High Auxiliary Gymnasium -	1,542,840
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	
Winfield High Auxiliary Gymnasium -	1,542,840
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	
Poca High Auxiliary Gymnasium -	<u>1,879,520</u>
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.	
Total Bond Proceeds and SBA Grant -	\$ <u>78,495,736</u>

Note 16 - Interfund Transfers

	<u>Fund 11</u>	<u>Fund 51</u>	<u>Fund 61</u>	<u>Total Funds</u>
Transfers In:				
Indirect Cost	\$ 87,559.76			\$ 87,559.76
Local Support of Capital Projects		\$2,284,527.00		2,284,527.00
Local Contribution to Food Service			\$1,793,063.07	1,793,063.07
Transfers Out:				
Local Support of Capital Projects	(1,469,557.00)	(814,970.00)		(2,284,527.00)
Local Support of Food Service	(1,793,063.07)			(1,793,063.07)
Indirect Cost	<u> </u>	<u> </u>	<u>(87,559.76)</u>	<u>(87,559.76)</u>
	<u>\$ (3,175,060.31)</u>	<u>\$ 1,469,557.00</u>	<u>\$ 1,705,503.31</u>	<u>\$ 0.00</u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

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.

**PUTNAM COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
June 30 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 31,021,204	\$ 31,660,213	\$ 31,873,277	\$ 213,064
Other Local sources	721,710	1,100,872	686,011	(414,861)
State sources	45,114,233	45,441,620	47,449,875	2,008,255
Federal sources	772,202	1,067,103	860,503	(206,600)
Miscellaneous sources	4,000	99,184	99,184	(0)
Total revenues	77,633,349	79,368,993	80,968,850	1,599,857
Expenditures:				
Instruction	48,212,881	49,245,304	48,942,003	303,301
Supporting services:				
Students	2,140,054	2,149,073	2,287,726	(138,653)
Instructional staff	1,949,360	2,046,193	2,168,087	(121,894)
Central administration	1,180,965	1,250,864	1,241,010	9,854
School administration	5,141,624	5,067,468	5,274,334	(206,866)
Business	1,797,401	1,809,240	1,809,565	(325)
Operation and maintenance of facilities	7,756,989	10,167,992	8,892,314	1,275,678
Student transportation	5,482,167	5,834,856	5,887,343	(52,487)
Food services	-	-	150,920	(150,920)
Community services	159,839	164,261	155,821	8,440
Capital outlay	35,002	230,913	224,913	6,000
Total expenditures	73,856,282	77,966,164	77,034,036	932,128
Excess (deficiency) of revenues over expenditures	3,777,067	1,402,828	3,934,814	2,531,986
Other financing sources (uses):				
Transfers in	-	145,492	87,560	(57,932)
Transfers (out)	(3,150,041)	(3,711,335)	(3,262,620)	448,715
Total other financing sources (uses)	(3,150,041)	(3,565,843)	(3,175,060)	390,783
Change in fund balances	627,026	(2,163,015)	759,754	2,922,769
Fund balances - beginning	(627,026)	2,163,015	6,937,122	4,774,107
Fund balances - ending	\$ -	\$ 0	\$ 7,696,876	\$ 7,696,876

**PUTNAM COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
June 30 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local sources	\$ 1,813,574	\$ 2,329,931	\$ 1,815,203	\$ (514,728)
State sources	1,957,760	3,069,415	2,845,937	(223,478)
Federal sources	5,399,580	6,449,745	5,991,072	(458,673)
Miscellaneous sources	-	44,303	32,357	(11,946)
Total revenues	9,170,914	11,893,393	10,684,569	(1,208,824)
Expenditures:				
Instruction	231,500	5,403,724	4,931,636	472,088
Supporting services:				
Students	-	496,146	487,938	8,208
Instructional staff	-	810,028	653,151	156,877
Central administration	-	135,001	103,344	31,657
School administration	-	23,556	23,556	0
Business	-	-	-	-
Operation and maintenance of facilities	-	314,851	304,357	10,494
Student transportation	773,023	837,488	729,312	108,176
Food services	5,101,701	5,359,709	5,366,803	(7,094)
Community services	-	-	-	-
Capital outlay	-	45,506	25,123	20,383
Total expenditures	6,106,224	13,426,010	12,625,220	800,790
Excess (deficiency) of revenues over expenditures	3,064,690	(1,532,617)	(1,940,651)	(408,034)
Other financing sources (uses):				
Transfers in	1,735,484	1,735,484	1,793,063	57,579
Transfers (out)	-	(95,281)	(87,560)	7,721
Total other financing sources (uses)	1,735,484	1,640,203	1,705,503	65,300
Change in fund balances	4,800,174	107,586	(235,148)	(342,734)
Fund balances - beginning	(4,800,174)	(107,586)	374,605	482,191
Fund balances - ending	\$ -	\$ (0)	\$ 139,457	\$ 139,457

**PUTNAM COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
June 30 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
State sources	\$ -	\$ 4,661,511	\$ 1,853,360	\$ (2,808,151)
Total revenues	-	4,661,511	1,853,360	(2,808,151)
Expenditures:				
Capital outlay	1,414,557	7,820,209	2,613,946	5,206,263
Operation and Maintenance of Facilities	-	62,244	59,132	3,112
Total expenditures	1,414,557	7,882,453	2,673,078	5,209,375
Excess (deficiency) of revenues over expenditures	(1,414,557)	(3,220,942)	(819,718)	2,401,224
Other financing sources (uses):				
Transfers in	1,414,557	2,284,527	2,284,527	-
Transfers (out)	-	(814,970)	(814,970)	-
Total other financing sources (uses)	1,414,557	1,469,557	1,469,557	-
Change in fund balances	-	(1,751,385)	649,839	2,401,224
Fund balance - beginning	-	1,751,385	1,815,082	63,697
Fund balance - ending	\$ -	\$ 0	\$ 2,464,921	\$ 2,464,921

**PUTNAM COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
June 30 2009**

	Cash Balance 7/1/2008	Revenues Received	Expenditures Paid	Cash Balance 6/30/2009
High Schools:				
				-
Buffalo High School	\$ 105,263	\$ 138,132	\$ 138,167	105,228
Hurricane High School	175,986	474,347	541,611	108,722
Poca High School	65,047	227,477	213,834	78,690
Winfield High School	73,029	234,612	232,955	74,686
Putnam Career & Technical Center	154,735	281,561	309,850	126,445
Total high schools	574,060	1,356,130	1,436,418	493,772
Middle and Junior High Schools:				
George Washington Middle School	71,922	93,988	90,111	75,800
Hurricane Middle School	91,919	210,632	201,435	101,116
Poca Middle School	37,995	80,549	69,153	49,391
Winfield Middle School	98,405	186,516	194,909	90,012
Total middle and junior high schools	300,241	571,685	555,607	316,319
Elementary Schools:				
				-
Buffalo Elementary School	51,257	48,906	66,738	33,425
Confidence Elementary School	7,071	15,131	19,421	2,782
Conner Street Elementary School	19,201	75,514	67,363	27,352
Eastbrook Elementary School	24,372	29,852	35,562	18,662
George Washington Elementary School	18,297	43,549	42,299	19,547
Hometown Elementary School	25,584	14,888	16,288	24,185
Hurricane Town Elementary School	19,876	66,331	62,091	24,117
Lakeside Elementary School	18,246	29,284	23,925	23,606
Mountain View Elementary	-	89,640	73,121	16,519
Poca Elementary School	36,695	55,579	52,155	40,120
Rock Branch Elementary School	27,575	39,275	37,591	29,259
Scott Teays Elementary School	62,048	100,525	111,287	51,285
West Teays Elementary School	60,275	172,562	174,155	58,682
Winfield Elementary School	24,106	66,684	63,818	26,972
Total elementary schools	394,604	847,721	845,813	396,512
Total	\$ 1,268,905	\$ 2,775,536	\$ 2,837,838	\$ 1,206,603

**PUTNAM COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Total Federal <u>Expenditures</u>
U.S. Department of Agriculture			
Pass-through West Virginia Department of Education: Child Nutrition Cluster: Food Service Centralized	10.553/10.555/10.559	C300458	\$ 1,753,969
Pass-through West Virginia Department of Agriculture Food Distribution - Donated	10.555	N/A	<u>159,918</u>
Total U.S. Department of Agriculture			<u>1,913,887</u>
U.S. Department of Education			
Pass-through West Virginia Department of Education: Title II	84.367A	Note 4	396,962
Title I	84.010	Note 4	1,304,546
Title V	84.298A	C282075	1,470
Special Education Cluster (IDEA): IDEA Part B	84.027	Note 4	2,023,219
IDEA Part B – Preschool	84.173	C298671	34,889
Title III	84.365	Note 4	12,572
Safe and Drug Free Schools	84.186A	Note 4	36,975
Vocational Education	84.048A	Note 4	84,961
Enhancing Education Technology	84.318	C291420	<u>145,383</u>
Total Department of Education			<u>4,040,977</u>
U.S. Department of Health and Human Resources			
Pass-through West Virginia Department of Education: YRBS/YTB	93.293	C312186	<u>200</u>
Total Department of Health and Human Resources			<u>200</u>
Total Federal Awards			\$ <u>5,955,064</u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

1. Basis of Presentation

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

2. Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The Board received and disbursed \$159,918 in food commodities in the Donated Foods Program for the year ended June 30, 2009.

3. Child Nutrition Program

Child Nutrition Program [CFDA #10.553, #10.555 and #10.599] expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards had been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the three programs as funded from all sources was \$5,206,884.

4. Pass-Through Entity Identifying Numbers

The following programs had multiple pass-through entity identifying numbers:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>
Title II	84.367A	C282083, C309108
Title I	84.010	C260124, C301302 C278284
Safe and Drug Free Schools	84.186A	C259608, C282141 C302855
IDEA Part B	84.027	C280910, C301215 C277603, C303226 C289110, C298759 C296125, C303024 C305619, C312281 C314420
Title III	84.365	C262255, C304602 C285031
Vocational Education	84.048A	C275634, C299408

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CHARLES D. WEBB, MBA, CPA**

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

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

Honorable Members of
Putnam County Board of Education
Winfield, West Virginia

We have audited the financial statements of Putnam County Board of Education, as of and for the year ended June 30, 2009, and have issued our report thereon dated January 15, 2010. 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 Putnam County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

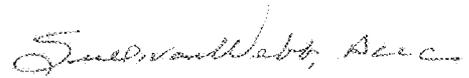
A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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



January 15, 2010

SULLIVANWEBB, PLLC

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

Honorable Members of
Putnam County Board of Education
Winfield, West Virginia

Compliance

We have audited the compliance of Putnam County Board of Education, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Putnam County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Putnam County Board of Education's management. Our responsibility is to express an opinion on Putnam 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 Putnam County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Putnam County Board of Education's compliance with those requirements.

In our opinion, Putnam County Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Putnam County Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Putnam County Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Putnam County Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of Putnam County Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



January 15, 2010

**PUTNAM COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no findings for the year ended June 30, 2008.

**PUTNAM COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

A. SUMMARY OF AUDIT RESULTS

- 1) The auditor's report expresses an unqualified opinion on the financial statements of Putnam County Board of Education for the year ended June 30, 2009.
- 2) No significant deficiencies were noted during the audit of the financial statements of Putnam County Board of Education.
- 3) No instances of noncompliance material to the financial statements of Putnam County Board of Education were disclosed during the audit.
- 4) No matters involving the internal control over major programs of Putnam County Board of Education were disclosed that we consider to be significant deficiencies.
- 5) The auditor's report on compliance for major programs of Putnam County Board of Education expresses an unqualified opinion on all major federal programs.
- 6) No audit findings which were required to be reported under Section .510(a) of OMB Circular A-133 were noted.
- 7) The programs tested as major programs included:

<u>Program</u>	<u>CFDA #</u>
Major Federal Programs	
U.S. Department of Education	
Pass-through West Virginia	
Department of Education	
Title II	84.367A
Special Education Cluster (IDEA):	
IDEA Part B	84.027
IDEA Part B – Preschool	84.173
Enhancing Education Technology	84.318

- 8) The dollar threshold used to distinguish Type A Programs from Type B Programs of federal awards expended by Putnam County Board of Education for the year ended June 30, 2009 was \$300,000.
- 9) Putnam County Board of Education has qualified as a low-risk auditee under Section .530 of OMB Circular A-133 for the year ended June 30, 2009.
- 10) There were no audit findings for prior audit year ended June 30, 2008.

**PUTNAM COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

■ Noncompliance Finding

None

■ Reportable Conditions

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

■ Noncompliance Finding

None

■ Reportable Conditions

None

Proposed Form Opinion of Bond Counsel

(GOODWIN & GOODWIN LETTERHEAD)

March __, 2010

The Board of Education of the County of Putnam
9 Courthouse Drive
Winfield, WV 25213

Re: \$56,750,000
The Board of Education of Putnam County (West Virginia),
Public School Bonds, Series 2010

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), of Putnam County School District, by and through The Board of Education of the County of Putnam (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated upon delivery and original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of \$5,000 or integral multiples thereof, and mature on May 1 in years and amounts and bear interest payable each May 1 and November 1, commencing November 1, 2010, as follows:

Year	Principal Amount	Interest Rate
2011	\$2,785,000	%
2012	3,080,000	
2013	3,170,000	
2014	3,265,000	
2015	3,365,000	
2016	3,465,000	
2017	3,570,000	
2018	3,695,000	
2019	3,845,000	
2020	3,995,000	
2021	4,155,000	
2022	4,325,000	
2023	4,495,000	
2024	4,675,000	
2025	4,865,000	

The Bonds were authorized at a special election held in Putnam County School District on August 29, 2009, and by a Resolution and Order adopted by the Issuer (the "Resolution") on February 15, 2010, and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction and equipping of various school projects, with all necessary appurtenances thereto, and for the renovation and rehabilitation of various public schools situated in Putnam County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

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

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

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

3. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds is not includable in gross income of the owners thereof for Federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations; it should be noted, however, that interest on the Bonds held by a corporation may be indirectly subject to alternative minimum tax because of its inclusion in the reported income or earnings and profits of such corporate holder. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution and the Tax Certificate of the Issuer. Failure to comply with such representations, covenants and certifications could cause the interest on the Bonds to be

includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

Respectfully submitted,

GOODWIN & GOODWIN, LLP

Proposed Facilities

Projects	Locations	Costs
<p>Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.</p>	Current Winfield Middle School Property	SBA Grant Funds \$21,745,736
<p>Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.</p>	Current Winfield Elementary School Property	Bond Funds \$788,265
<p>Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.</p>	Current Poca Middle/Elementary School Property	Bond Funds \$21,587,255
<p>Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.</p>	Property currently owned by the Board of Education in the Town of Buffalo	Bond Funds \$20,583,810
<p>Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.</p>	Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.	Bond Funds \$ 8,825,470
<p>Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	Current Hurricane High School Property	Bond Funds \$ 1,542,840
<p>Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	Current Winfield High School Property	Bond Funds \$ 1,542,840
<p>Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.</p>	Current Poca High School Property	Bond Funds \$ 1,879,520
Total Bond Costs		\$56,750,000

Notice of Sale

OFFICIAL NOTICE OF SALE

\$56,750,000

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, WEST VIRGINIA PUBLIC SCHOOL BONDS, SERIES 2010

Electronic bids only will be received by The Board of Education of the County of Putnam, West Virginia (the "Board"), in accordance with this Official Notice of Sale until 11:00 a.m., Local Time, on March 10, 2010 (the "Date of Sale"). In the case of a malfunction in submitting an electronic bid, facsimile bids will be allowed, as more fully described below.

Immediately thereafter, the bids will be publicly announced, and the Board will act upon the bids by 1:00 p.m., Local Time.

Bid Submission

Solely as an accommodation to bidders, electronic bids via PARITY® (the "Electronic Bidding System") will be accepted in accordance with this Official Notice of Sale. The Board is using PARITY® as a communication mechanism to conduct the electronic bidding for the sale of its \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), as described herein. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees (i) that it is solely responsible for all arrangements with PARITY®, (ii) that PARITY® is not acting as the agent of the Board, and (iii) that the Board is not responsible for ensuring or verifying bidder compliance with any of the procedures of PARITY®. The Board assumes no responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder through PARITY®. Each bidder shall be solely responsible for making necessary arrangements to access the Electronic Bidding System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Board nor the Electronic Bidding System shall have any duty or obligation to provide or assure such access to any bidder, and neither the Board nor PARITY® shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY®. For further information about PARITY®, potential bidders may contact i-Deal at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

In the event of a malfunction of the Electronic Bidding System at 11:00 a.m., Local Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 12:00 noon, Local Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, facsimile transmission bids will be accepted at the discretion of the Board in coordination with its Financial Advisor, Scott & Stringfellow, Inc. (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders. Bidders choosing to submit bids in the case of a malfunction by facsimile transmission shall use the following telecopier number for such transmission: (804) 649-3964 (Attention: Matt Palumbo). Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received not later than the deadline as communicated to bidders and that the bid is sent to the telecopier number set forth above. Illegible transmissions shall be rejected. The Financial Advisor, will, on behalf of the Board, verify receipt of each bid submitted through facsimile transmission by contacting each bidder by telephone once the bid has been received. The Financial Advisor will in no instance correct, alter or in any way change bids submitted through facsimile transmission. The Board and the Financial Advisor will not be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of this Official Notice of Sale. Bidders submitting bids via facsimile transmission will bear full and complete responsibility for the transmission of such bid.

Each bid must be unconditional.

Change of Date and Time for Receipt of Bids

The Board expects to take bids on the Bonds on March 10, 2010. However, the Board reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by TM3 newswire, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced via TM3 newswire, or any other such service. Any bidder must submit a sealed bid for the purchase of the Bonds on such alternative sale date in conformity with the provisions of this Official Notice of Sale, except for any changes announced via the TM3 newswire, or any other such service, as described therein.

Principal Redemption

The Bonds will be dated the date of their delivery (the “Dated Date”), and will mature, on May 1 in years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2011	\$2,785,000	2019	\$3,845,000
2012	\$3,080,000	2020	\$3,995,000
2013	\$3,170,000	2021	\$4,155,000
2014	\$3,265,000	2022	\$4,325,000
2015	\$3,365,000	2023	\$4,495,000
2016	\$3,465,000	2024	\$4,675,000
2017	\$3,570,000	2025	\$4,865,000
2018	\$3,695,000		

Book-Entry-Only System

The Bonds will be issued by means of a book-entry system with no distribution of physical Bond certificates made to the public. One Bond certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York (“DTC”), or its nominee, and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in principal amounts of \$5,000 or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Bond certificates registered in the name of Cede & Co. will be deposited with DTC. Interest on the Bonds will be payable from their date semiannually on each May 1 and November 1, beginning November 1, 2010, and principal of the Bonds will be paid annually on May 1, beginning May 1, 2011, to DTC or its nominee as registered owner of the Bonds. Transfer of principal, premium and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Board will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be prepared, executed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that case, either a successor depository will be selected by the Board or Bond certificates will be prepared, executed and delivered.

Optional Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of \$5,000 in principal amount and in the minimum principal amount of \$50,000.

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

The Issue; Authorizing Resolution; Security

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on and the principal of such Bonds were authorized and approved at a special election held on August 29, 2009, pursuant to, Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended, and to a Resolution and Order duly entered and adopted by the Board on February 15, 2010 (the "Resolution and Order"). The ballot question also stipulated a maximum term of fifteen and one-half (15.5) years from the date of the Bonds and an interest rate not exceeding six and seventy-five hundredths percent (6.75%) per annum. The canvass of said special election showed 5,169 "Yes" votes and 4,047 "No" votes, a 56.09% voter approval of those who participated.

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and Chapter 13, Article 1 of the Code of West Virginia, 1931, (the "Act"), county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Section 8 of Article X of the Constitution and Sections 20 and 24 of the Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

The Bonds will be general obligations of the Board, secured by an irrevocable pledge of its full faith and credit. The Board is authorized and required, unless other funds are lawfully available and appropriated, for timely payment of the Bonds, to levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitations as to rate or amount, upon all locally taxable property in Putnam County sufficient to pay principal of and interest on the Bonds as the same respectively become due and payable, all as more fully described in the Board's Preliminary Official Statement dated March 4, 2010 (the "Preliminary Official Statement").

Bidding Rules; Award of Bonds

Bidders may only bid to purchase all of the Bonds. Each proposal must state the amount bid for the Bonds (not less than \$56,750,000 or greater than 106% of the par value of the Bonds) and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Bonds are to bear, but must not state (a) any interest rate which is in excess of 6.75%, (b) more than one interest rate for any Bonds having like maturity, or (c) any interest rate for Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than two percent (2%). The repetition of a rate will not be considered a different rate.

As promptly as reasonably possible after the bids are received, the Board will notify the bidder to whom the Bonds will be awarded, if and when such award is made. Such bidder, upon such notice, shall advise the Board of the initial reoffering prices or yields to the public of each maturity of the Bonds (the "Initial Reoffering Prices or Yields"). The winning bid will remain firm for a period of no less than five hours after the time specified for the opening of bids. An award of the Bonds, if made, will be made by the Board Administrator within such five hour period or, with the express consent of the winning bidder, such longer time period as deemed necessary.

The Board reserves the right to reject any and all proposals, not conforming to this Official Notice of Sale. Unless all bids are rejected, the Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale and submitting a bid which provides the lowest “true” or “Canadian” interest cost to the Board. The true interest cost shall be determined for each bid by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service to the date of the Bonds and to the price bid. If more than one bid offers the same lowest true interest cost, the successful bid will be selected by the Board Administrator by lot.

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If a bidder proposes to obtain a policy of municipal bond insurance or any other credit enhancement, any such purchase of insurance or commitment therefor shall be at the sole option and expense of the bidder, and the bidder must pay any increased costs of issuance of the Bonds as a result of such insurance or commitment. Any failure by the bidder to obtain such a policy of insurance shall not in any way relieve such bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Bonds.

Good Faith Deposit

Bidders must submit a certified or cashier’s check for 2% of the par value of the bonds (\$1,135,000) drawn upon a solvent bank or trust company and payable unconditionally to the order of the The Board of Education of the County of Putnam, West Virginia, to secure the Board against any loss resulting from the failure of the successful bidder to comply with the terms of its bid. The check of the successful bidder will be deposited and credited toward the purchase price, and no interest will be allowed thereon to accrue to the benefit of the successful bidder. The proceeds of the check will be retained by the Board as liquidated damages in case the successful bidder fails to accept delivery of and pay for the Bonds. Checks of unsuccessful bidders will be returned promptly upon award of the Bonds. Bidders must also clearly indicate to whom the check should be returned in the event of an unsuccessful bid.

In lieu of the check described above, the deposit may be in the form of a Financial Surety Bond in the amount of \$1,135,000 payable to the Board. The Financial Surety Bond must be from an insurance company acceptable to the Board and licensed to issue such a bond in the State of West Virginia, and such Financial Surety Bond must be in a form acceptable to the Board. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then such successful bidder is required to submit its deposit to the Board in the form of a cashier’s or certified check or wire transfer not later than 11:00 a.m., Local Time, on the next business day following the award. If such deposit is not received by such time, the Financial Surety Bond may be drawn by the Board to satisfy the deposit requirement.

As an alternative to the methods set forth above, upon bids being announced and a successful bidder being identified, the successful bidder may wire the sum of \$1,135,000 to a depository identified by the Board, by 2:00 p.m., Local Time, on the same day that the successful bidder is identified.

Bidders must deliver the good faith deposit (or, in lieu thereof, a Financial Surety Bond) by 11:00 a.m., Local Time, on March 10, 2010, to the Financial Advisor, Scott & Stringfellow, Inc., 909 East Main Street, 8th Floor, Richmond, Virginia 23219 (Attention: Mr. Matt Palumbo).

Delivery of the Bonds

The Bonds will be delivered at the expense of the Board in New York, New York, through the facilities of DTC, on or about March 24, 2010. The Bonds will be delivered upon payment of the balance of the purchase price in Federal Funds payable to the order of “The Board of Education of the County of Putnam, West Virginia”.

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Bonds are exempt from all taxation by the State of West

Virginia or any political subdivision thereof. Said opinion shall also contain further statements to the effect that (a) said Bond Counsel has considered litigation in certain states, including the State of West Virginia, such as Pauley v. Bailey, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and that, in their opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Putnam County, West Virginia, for payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in such approving opinion; and (b) the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

It will be a further condition of delivery of any payment for the Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Bonds, including (i) a certificate dated the Date of Delivery of the Bonds, stating that there is no litigation pending or threatened affecting the validity of the Bonds, or wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board, or adversely affect the power of the Board to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, (ii) a certificate dated the Date of Delivery of the Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, to the best of their knowledge, the Official Statement in final form and as of its date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (iii) a tax and arbitrage certificate executed on behalf of the Board which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds not to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a special manner, where appropriate, and (b) refrain from taking any action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes. The Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Bonds are binding obligations of the Board and are incontestable.

Certificates of Winning Bidder

The successful bidder must, by facsimile transmission or overnight delivery received by the Board within 24 hours after receipt of bids for the Bonds, furnish the following information to complete the Official Statement in final form, as described below:

- A. The offering prices for the Bonds (expressed as the price or yield per maturity).
- B. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the prices or yields described in Subpart A above).
- C. The identity of the underwriters if the successful bidder is a part of a group or syndicate.
- D. Any other material information necessary to complete the Official Statement in final form but not known to the Board.

Prior to delivery of the Bonds, the successful bidder shall furnish to the Board a certificate, in form acceptable to the Board's counsel, to the effect that the successful bidder has made a bona fide public offering of the Bonds at the initial public offering prices set forth in such certificate, that the successful bidder has complied with Rule G-37 of the Municipal Securities Rulemaking Board (the "MSRB") with respect to the Board and that a substantial amount of the Bonds of each maturity were sold to the public (excluding bond houses, brokers and other intermediaries) at such initial public offering prices. Such certificate shall state that (1) it is made on the best knowledge, information and belief of the successful bidder and (2) 10% or more in par amount of the Bonds of each

maturity was sold to the public at the initial public offering price (such amount being sufficient to establish the sale of a substantial amount of the Bonds).

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with the terms of its bid. The Board will assume responsibility for the expense of the initial printing of CUSIP numbers; provided, however, that the Board assumes no responsibility for any CUSIP Service Bureau or other charges that may be imposed for the assignment of such numbers. All expenses in connection with the assignment of CUSIP numbers shall be paid by the successful bidder. It shall be the obligation of the successful bidder to furnish to DTC an underwriter questionnaire and to the Board the CUSIP numbers for the Bonds within two business days following the date of award.

Official Statement

The Board will furnish to the successful bidder, at the expense of the Board, up to 300 copies of the final Official Statement within seven business days from the date of the award of the Bonds, as specified in Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC") and the rules of the MSRB; provided that minor delays in furnishing such final Official Statements will not be a basis for failure to pay for and accept delivery of the Bonds. Additional copies will be made available at the successful bidder's request and expense. The Board assumes no responsibility or obligation for the distribution or delivery of the Official Statement to anyone other than the successful bidder.

The successful bidder, by executing the Official Bid Form, agrees to provide one copy of the Official Statement to at least one Nationally Recognized Municipal Securities Information Repository ("NRMSIR") within the meaning of the Rule upon receipt of the Official Statement from the Board and two copies of the Official Statement (with any required forms) to the MSRB or its designee no later than ten business days following the Date of Sale. The successful bidder shall notify the Board as soon as practicable of (1) the date which is the end of the underwriting period (such "underwriting period" is described in the Rule) and (2) the date of filing of the Official Statement with a NRMSIR and the MSRB or its designee.

If the Bonds are awarded to a syndicate, the Board will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official Statement to each participating underwriter. Any underwriter executing and delivering a bid form with respect to the Bonds agrees thereby that if its bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purposes of assuring the receipt and distribution by each such participating underwriter of the Official Statement, unless another firm is so designated by the syndicate in writing and approved by the Board.

Legal Opinion

The approving opinion of Goodwin & Goodwin, LLP with respect to the Bonds will be furnished to the successful bidder at the expense of the Board. The opinion will state that the Bonds constitute valid and binding limited obligations of the Board for the payment of which the Board's full faith and credit are irrevocably pledged and that the Board is authorized and required by law unless funds are lawfully available, to levy and collect taxes annually over and above all other taxes, upon all taxable property within the Board without limitation as to rate or amount sufficient to pay when due the principal of and interest on the Bonds.

Tax Exemption

The Official Statement relating to the Bonds contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Bonds and a discussion of the opinion of Goodwin & Goodwin, LLP insofar as it concerns such exclusion.

Federal and State Securities Laws

No action has been taken to qualify the Bonds under the federal securities laws.

Continuing Disclosure

The Board will agree, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and operating data and notices of the occurrence of certain events, if material. A description of these undertakings is set forth in the Preliminary Official Statement for the Bonds and will also be set forth in the final Official Statement for the Bonds (See Appendix E of the Preliminary Official Statement).

Additional Information

For further information relating to the Bonds and the Board, reference is made to the Board's Preliminary Official Statement. The Board has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. The Official Bid Form and the Preliminary Official Statement may be obtained from the Board's Financial Advisor, Scott & Stringfellow, Charleston, West Virginia (304) 357-6508.

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

By: /s/ Harold Hatfield, Secretary

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

Dated: March 4, 2010

OFFICIAL BID FORM

Electronic bids (or facsimile bids as provided in the Official Notice of Sale) must be submitted by 11:00 am, Local Time, March 10, 2010.

The Board of Education of the County of Putnam, West Virginia
Winfield, West Virginia

On behalf of the firm(s) listed below and pursuant to the terms and conditions listed in the Board's Official Notice of Sale, we offer to purchase the \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), of The Board of Education of the County of Putnam, West Virginia, dated the date of their delivery. This offer is made for all the Bonds and not for less than all, maturing on May 1 in years shown below. The schedule of maturities and interest rates upon which this bid is based are as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>
2011	\$2,785,000		2019	\$3,845,000	
2012	\$3,080,000		2020	\$3,995,000	
2013	\$3,170,000		2021	\$4,155,000	
2014	\$3,265,000		2022	\$4,325,000	
2015	\$3,365,000		2023	\$4,495,000	
2016	\$3,465,000		2024	\$4,675,000	
2017	\$3,570,000		2025	\$4,865,000	
2018	\$3,695,000				

We will pay \$ _____, which is not less than \$56,750,000 or not less than par (representing a premium of \$ _____), and will accept delivery of the Bonds by means of a book-entry system at The Depository Trust Company, New York, NY.

Please indicate the appropriate choice:

_____ We have posted a surety bond in the amount of \$1,135,000. If awarded the bid, we will deliver to the Board \$1,135,000 in good faith money by 11:00 a.m., Local Time, on the next business day immediately following the date of award, or the Board will draw upon the surety bond and apply it in accordance with the Official Notice of Sale against any loss resulting from the successful bidder failing to comply with the terms of this bid.

_____ We have previously delivered a certified or cashier's check or a wire transfer for \$1,135,000 drawn upon or from a bank or trust company as detailed in the Official Notice of Sale and payable unconditionally to the order of The Board of Education of the County of Putnam, West Virginia, which is to be applied in accordance with the Official Notice of Sale against any loss resulting from the successful bidder failing to comply with the terms of this bid.

_____ We will wire funds in the amount of \$1,135,000 by 2:00 p.m., Local Time, on the same day that the successful bidder is identified. We understand that an award to the apparent successful bidder is contingent upon receipt of a deposit in the amount of \$1,135,000, and the Bonds will not be awarded to such bidder until The Board of Education of the County of Putnam, West Virginia has confirmation of receipt of such deposit.

The good faith deposit will be deposited and credited on the purchase price, and no interest will be credited thereon to the successful bidder. The good faith deposit will be retained by the Board as liquidated damages in case the successful bidder fails to accept delivery of and pay for the Bonds. Checks or wire transfers from unsuccessful bidders will be returned promptly upon award of the Bonds.

The undersigned hereby acknowledges receipt and review of the Preliminary Official Statement referred to in the Official Notice of Sale.

Respectfully submitted,

(Name of Bidding Firm)

(Authorized Signature)

(Name & Phone Number of Contact Person)

NO ADDITION OR ALTERATION, EXCEPT AS PROVIDED ABOVE, SHOULD BE MADE TO THIS BID. Please attach a list of syndicate members, as applicable.

The foregoing proposal is hereby accepted this ____ day of March, 2010.

By: _____, President, The Board of Education of the County of Putnam, West Virginia

(NOTE - The following is included for information only and is not part of this bid:

True Interest Cost (Calculated in accordance with the Official Notice of Sale) - _____% (to six decimal places).

Return of the good faith deposit mentioned above is hereby acknowledged:

By: _____ March ____, 2010
(Authorized Signature of Bidder)

Form of Continuing Disclosure Certificate

\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2010

CONTINUING DISCLOSURE CERTIFICATE

The Board of Education of the County of Putnam, West Virginia (the “Issuer”) hereby certifies in connection with the \$56,750,000 aggregate principal amount of The Board of Education of the County of Putnam (West Virginia), Public School Bonds, Series 2010 (the “Bonds”). The Bonds are being issued pursuant to a Resolution and Order approved by the Issuer on February 15, 2010 (the “Resolution”). The Issuer covenants and agrees, as follows:

SECTION 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Issuer 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 Certificate unless otherwise defined in this Section, 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”)), provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, 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 Issuer'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 the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“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 Certificate.

“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, effective as of July 1, 2009.

“Repository” shall mean each National Repository and the State Repository.

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

“State” shall mean the State of West Virginia.

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

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer’s fiscal year (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2010, provide to each Repository Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Certificate. 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 Certificate. If the Issuer's fiscal year changes, the Issuer 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 Issuer shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Issuer shall send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Financial Information and Audited Financial Statements the name and address of each Repository; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Financial Information and Audited Financial Statements have been provided pursuant to this Certificate, stating the date it was provided and listing the Repositories to which it was provided.

(d) Effective on July 1, 2010 and thereafter, all documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic formant and shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. The Issuer's Annual Financial Information and Audited Financial Statements shall contain or include by reference the following:

(a) Within ninety (90) days after receipt by the Issuer of the Issuer's fiscal year ended June 30, 2010 fiscal year and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, unaudited general purpose financial statements of the Issuer, and

(b) Within two hundred seventy (270) days of the Issuer's fiscal year ended June 30, 2010, and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, such information and data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) actual data of the type found in the Official Statement under the caption "CERTAIN FINANCIAL INFORMATION – School District's Revenues and Expenses."

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 Issuer or related public entities, which have been submitted to each of the Repositories 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 Issuer 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 Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, except as provided by the Resolution;

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected the Bonds pursuant to the Resolution.

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

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

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

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

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

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

In the event of any amendment or waiver of a provision of this Certificate, the Issuer 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 Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate 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 Certificate. If the Issuer 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 Certificate, the Issuer shall have no obligation under this Certificate 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 Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: March __, 2010

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

By: _____
President

Exhibit A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Putnam
Name of Issue: \$56,750,000The Board of Education of the County of Putnam
(West Virginia), Public School Bonds, Series 2010
Date of Issuance: March __, 2010

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

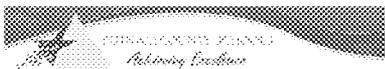
Dated this ___ day of _____, 20__.

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

By: _____
President

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and 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 direct taxation by the State of West Virginia or any political subdivision thereof.
See "TAX MATTERS" herein.

\$56,750,000



**THE BOARD OF EDUCATION
 OF THE
 COUNTY OF PUTNAM (WEST VIRGINIA)
 Public School Bonds, Series 2010**

Dated: Date of Delivery

Due: May 1, as shown below

The bonds are general obligations of The Board of Education of the County of Putnam, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Putnam 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, 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Charleston, West Virginia, as Registrar.

Interest on the Bonds will accrue from Date of Delivery, and will be payable November 1, 2010 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Owners of the Bonds, as described herein.

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

MATURITIES, AMOUNTS, RATES AND YIELDS

Year	Principal Amount	Interest Rate	Price/Yield	Year	Principal Amount	Interest Rate	Price/Yield
2011	\$2,785,000	3.00%	.50%	2019	\$3,845,000	4.00%	3.10%
2012	3,080,000	3.00%	.80%	2020	3,995,000	4.00%	3.25%
2013	3,170,000	3.00%	.95%	2021	4,155,000	4.00%	3.27%
2014	3,265,000	3.00%	1.30%	2022	4,325,000	4.00%	3.42%
2015	3,365,000	4.00%	1.67%	2023	4,495,000	4.00%	3.52%
2016	3,465,000	4.00%	2.11%	2024	4,675,000	4.00%	3.62%
2017	3,570,000	4.00%	2.58%	2025	4,865,000	4.00%	3.72%
2018	3,695,000	4.00%	2.85%				

The bonds are offered for delivery when, as and if issued, subject to approval of legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about March 24, 2010.

Dated: March 10, 2010

CITI

**THE BOARD OF EDUCATION
of the
COUNTY OF PUTNAM (WEST VIRGINIA)**

ELECTED OFFICIALS

	<u>Term Expires</u>
Dr. Craig Spicer, President	June 30, 2010
William (Butch) Legg, Vice President	June 30, 2010
Jack Coyner	June 30, 2012
Deborah F. Phillips	June 30, 2010
Dr. Samuel P. Sentelle	June 30, 2012

APPOINTED OFFICIALS

Harold L. Hatfield, Superintendent
William Duncan, Treasurer
Robert Hull, Assistant Superintendent

BOARD'S COUNSEL

Bowles Rice McDavid Graff & Love LLP
Charleston, West Virginia

BOND COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

FINANCIAL ADVISOR

Scott & Stringfellow, LLC
Charleston, West Virginia

No dealer, broker, salesman, or other person has been authorized by the Board of Education of the County of Putnam, West Virginia, to give any information or to make any representations, other than those 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 sales of the Bonds herein described by any person 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, and is not to be construed as a representation by the Financial Advisor. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

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

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OFFICIAL STATEMENT
relating to
\$56,750,000
THE BOARD OF EDUCATION OF THE
COUNTY OF PUTNAM (WEST VIRGINIA)
Public School Bonds, Series 2010

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale by the Board of Education of the County of Putnam (West Virginia) (the "Board") of its \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), to be issued in accordance with the Official Notice of Sale of the Board. In connection therewith, a brief description of the Putnam County School District (the "School District" or "District") and the County of Putnam, West Virginia (the "County" or "Putnam County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefore.

AUTHORITY AND PURPOSE

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on and the principal of such Bonds were authorized and approved at a special election held on August 29, 2009, pursuant to, Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended, (the "Act") and to a Resolution and Order duly entered and adopted by the Board on February 15, 2010 (the "Resolution and Order"). The ballot question also stipulated a maximum term of fifteen and one half years (15 1/2) years from the date of the Bonds and an interest rate not exceeding six and three quarters percent (6.75%) per annum. The canvass of said special election showed 5,169 "Yes" votes and 4,047 "No" votes, a 56% voter approval of those who participated.

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Section 8 of Article X of the Constitution and Sections 20 and 34 of the Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

The School Building Authority of West Virginia (the "Authority") was created in 1989 to implement a program for providing funding for modern, efficient elementary and secondary public school facilities to meet the educational needs of the students of West Virginia (the "Program"). In order to facilitate its Program, the Authority granted \$21,745,736 to the School District on September 30, 2009. When combined with the \$56,750,000 proceeds from the sale of bonds, and \$21,745,736 of available funds from the District, \$78,495,736 will be available for the projects. For a complete description of the projects to be financed by the Bonds, see "Appendix C - Proposed Facilities."

THE BONDS

General

The Bonds are dated Date of Delivery, will bear interest from that date, payable semiannually on each May 1 and November 1, commencing on November 1, 2010; principal of the Bonds is payable on May 1, in the years and amounts, as follows:

Year	Principal Amount	Interest Rate	Price/Yield	Year	Principal Amount	Interest Rate	Price/Yield
2011	\$2,785,000	3.00%	.50%	2019	\$3,845,000	4.00%	3.10%
2012	3,080,000	3.00%	.80%	2020	3,995,000	4.00%	3.25%
2013	3,170,000	3.00%	.95%	2021	4,155,000	4.00%	3.27%
2014	3,265,000	3.00%	1.30%	2022	4,325,000	4.00%	3.42%
2015	3,365,000	4.00%	1.67%	2023	4,495,000	4.00%	3.52%
2016	3,465,000	4.00%	2.11%	2024	4,675,000	4.00%	3.62%
2017	3,570,000	4.00%	2.58%	2025	4,865,000	4.00%	3.72%
2018	3,695,000	4.00%	2.85%				

Pursuant to the Act, both the principal of and interest on the Bonds are payable at the office of the Treasurer of the State of West Virginia (the "Treasurer"). The Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Charleston, West Virginia, to act as FAST agent, transfer agent and maintain the registration books, (the "Registrar" or "Fast Agent").

Interest on the bonds will accrue from Date of Delivery and will be payable November 1, 2010 and semiannually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at his address as shown on the registration books kept for that purpose by the Registrar 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 Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Optional Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of \$5,000 in principal amount and in the minimum principal amount of \$50,000.

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

Book-Entry Only System

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 the Securities, 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 Standard &

Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

9. 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.

10. 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.

11. 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.

Security and Source of Payment

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

Debt Administration

The West Virginia Municipal Bond Commission (the "Commission") is charged with the administration of the interest and sinking funds created to service the debt of the State and its subdivisions. The proceeds of taxes levied for debt service by the Board are collected by the sheriff, as treasurer of the county, who then forwards the proceeds to the Commission. The 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 Commission customarily sets the levy rates at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bonds in the State of West Virginia since the 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 2009 Senate Budget Bill is indicative:

Sec. 13. Sinking fund deficiencies - There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the municipal bond commission as provided by Chapter 31, Article 18, Section 20b of the Code of West Virginia, 1931, as amended, or in the funds of the 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 municipal bond commission as may be necessary for these purposes.

The municipal bond commission shall reimburse the state of West Virginia through the governor from the first remittance collected from the West Virginia housing development fund or from any state agency or local taxing district for which the governor advanced funds, with interest at the rate carried by the bonds for security or payment of which the advance was made.

No representation is made that subsequent Budget Bills will have such provision 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 or the County of Putnam. 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.

PUTNAM 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 pre-kindergarten through the secondary school level. The Board is composed of members elected by the voters of the County without reference to political party affiliation. Presently the terms of the members are for four years and are staggered so that no more than three terms expire at one time. The terms of such members begin on the first day of July next following the primary election at which they were elected.

Board members' duties are established by State statute with the State 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 corporation and as such may sue and be sued, plead or be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

The Putnam County Board of Education has 1,235 employees, 795 of whom are professional and 440 service staff. Of the 795 professionals, 34 are administrative, 30 are principals and 731 are teachers.

The County's pupil-teacher ratio, based upon the County Superintendent's Second Month Attendance Report for the school year 2009-2010 is 13:1.

Facilities of the District

The present facilities of the Putnam County School District include 4 high schools, 4 middle schools and 14 elementary schools and one vocational/technical school.

The District also maintains a board office, transportation center and maintenance building.

School Facilities Within the District

<u>School</u>	<u>Grades</u>	<u>Type of Construction</u>	<u>Date of Construction</u>	<u>Renovations & Additions/Year</u>
<u>High Schools:</u>				
Buffalo High School	9-12	Steel frame construction/ brick/masonry walls	1951	1969, 1982, 1984, 1985, 1987
Buffalo HS Culture Center	9-12	Fire resistive	1983	
Hurricane High School	9-12	Steel frame construction/ brick/concrete block walls	1968	1977, 1980, 1986, 1991 1992, 2004
Hurricane HS Culture Center	9-12	Fire resistive	1979	
Poca High School	9-12	Steel frame construction/ brick & concrete block/ concrete block	1968	1980, 1985, 1989, 1997
Poca HS Culture Center	9-12	Fire resistive	1985	
Winfield High School	9-12	Steel fame construction/ brick/concrete	1979	1980, 1982, 1987, 2005
Winfield HS Culture Center	9-12	Fire resistive	1979	

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Middle Schools:

George Washington	6-8	Steel frame construction/ brick & masonry block/ masonry walls	1984	1987, 2000, 2001, 2005
Hurricane	6-8	Steel frame construction/ masonry block & brick/ masonry walls	1950	1952, 1958, 1979, 1982, 1995, 2000
Poca	6-8	Steel frame construction/ block & stone/ masonry walls	1926	1957, 1982, 1986, 1989
Winfield	6-8	Steel frame construction/ brick & concrete block concrete block walls	1951	1953, 1968, 1972, 1975, 1984, 1999, 2000

Elementary Schools:

Buffalo	Pre K-5	Steel frame construction/ brick/masonry walls	1950	1974, 1978, 1999, 2000
Confidence	K-5	Masonry block construction/ brick/masonry walls	1950	1973
Conner Street	K-5	Steel frame construction/ brick & glazed tile/ masonry walls	1966	1975, 1978, 1992
Eastbrook	K-5	Steel frame construction/ brick/masonry walls	1980	2008
George Washington	K-5	Steel frame construction/ brick/masonry walls	1955	1978, 2009
Hometown	K-5	Steel frame construction/ brick, masonry walls	1977	1997
Hurricane Town	K-5	Steel frame construction/ brick/masonry walls	1980	1992
Lakeside	K-5	Steel frame construction/ brick/masonry walls	1980	
Mountain View	K-5	Fire resistive	2009	
Poca	K-5	Steel frame construction/ brick/masonry walls	1950	1965, 1974
Rock Branch	K-5	Masonry bearing & steel frame construction/concrete block & brick/masonry & drywall plaster walls	1952	1978, 1996, 2009
Scott Teays	K-5	Steel frame construction/ brick/masonry walls	1951	1962, 1973, 1978, 2009
West Teays	K-5	Steel frame construction/ brick/masonry walls	1978	1985, 1997, 2002
West Teays Annex	K-5	Joisted masonry	1984	
Winfield	K-5	Steel frame construction/ brick/masonry walls	1962	1965, 1985, 1998, 2002

Miscellaneous:

PC Tech Center	9-12 -Adult	Split face concrete block/ Masonry bearing construction	1940	1967, 1971, 1985
Henderson House		Frame	1965	
Central Office		Joisted masonry	1996	
Bus Garage		Fire resistive	1997	

Source: Putnam County Board of Education

Historical Enrollment

<u>Grades</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
PreK	64	64	88	114	121
K	711	739	741	696	757
1	688	695	722	712	694
2	666	689	692	712	703
3	623	671	707	698	710
4	659	628	672	721	714
5	714	673	629	695	719
6	645	741	698	646	718
7	688	652	733	711	657
8	741	684	663	738	710
9	787	820	781	732	848
10	653	688	701	715	663
11	632	608	631	619	631
12	616	635	576	622	633
Early Childhood	<u>106</u>	<u>122</u>	<u>166</u>	<u>210</u>	<u>239</u>
TOTALS	8,993	9,109	9,200	9,341	9,517

Source: Putnam County Board of Education

Projected Enrollment

<u>Grades</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Pre-K	745	740	733	740
K	690	659	663	650
1	693	665	635	637
2	661	666	640	610
3	618	675	680	654
4	664	649	706	712
5	652	634	620	674
6	695	679	659	646
7	654	687	671	652
8	696	667	700	684
9	705	718	690	723
10	682	704	720	691
11	663	648	668	683
12	690	707	690	711
TOTALS	9,508	9,498	9,475	9,467

Source: Putnam County Board of Education

Assessed Valuations

The Putnam County School District includes all of Putnam County and has the same assessed valuation of property therein as does the entire county.

Chapter 11, Article 1C of the West Virginia Code of 1931, as amended (the “Code”), requires all assessors to appraise all property at fair market value (except for certain farm property) and to perform updated appraisals every three years. The State Tax Commissioner is required to monitor the assessors in the performance of their duties and to perform the valuation process on industrial and natural resource property within the aforesaid three-year period. The Code limits the increase in property taxes that could result from the new valuation to one percent (1%) per year, unless, in the case of local governmental units (i.e. school boards), the Legislature after a public hearing deems a greater increase is necessary. Such increase is limited to 10% per year. The Code requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the three-year reappraisal cycle, which became effective July 1, 1994.

Assessment Procedures

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The county commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment, the commission certifies and returns the property books to the assessor. Appeal of any assessment may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. The assessor annually, not later than March 7, 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 2010 assessment year valuations were made as of July 1, 2009, with taxes levied and collected during the fiscal year July 1, 2010, through June 30, 2011.

The State Tax Commissioner has the responsibility of 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 assessment 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 allocations being approved by the Board of Public Works.

Property Classification

Rates of levy for county, municipal and school district taxes are based upon property classifications set out in the Constitution of the State of West Virginia. Article X, Section 1 of the Constitution of the State of West Virginia and Chapter 11, Article 8, Section 5 of the Code created four classifications of property for which 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, all notes, bonds, bills, accounts receivable, stocks and any other intangible personal property, not including bank deposits and money; Class II - owner-occupied residential property and certain farm lands; Class III - all real and personal property other than Class I and II property, situated outside of municipalities; Class IV - all real and personal property other than Class I and II, situated within municipalities. Public utility property falls within Class III or Class IV, as appropriate. Article 10, Section 1b of the West Virginia Constitution and Chapter 11, Article 6B, Section 3 of the Code provide that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence who is a citizen of the State and who is sixty-five years of age or older or is certified as being permanently or totally 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.

Assessed Valuation by Property Class

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	\$ 1,804,065	\$ 1,881,443	\$ 1,995,126	\$ - 0 -	\$ - 0 -
II*	1,017,775,716	1,103,408,214	1,180,706,338	1,219,724,517	1,262,149,765
III	883,193,686	962,877,798	1,096,492,035	1,144,441,489	1,222,671,569
IV	126,576,064	134,846,846	139,627,351	153,748,022	165,680,161
Totals	<u>\$2,029,349,531</u>	<u>\$2,203,014,301</u>	<u>\$2,418,820,850</u>	<u>\$2,517,914,028</u>	<u>\$2,650,501,495</u>

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Assessed Valuation by Property Category

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Real*	\$ 1,351,636,080	\$ 1,465,594,930	\$ 1,560,539,110	\$ 1,611,244,543	\$ 1,675,513,840
Personal	387,154,550	430,724,831	549,872,537	563,718,130	555,502,451
Utility	290,558,901	306,694,540	308,409,203	342,951,355	419,485,204
	<u>\$ 2,029,349,531</u>	<u>\$ 2,203,014,301</u>	<u>\$ 2,418,820,850</u>	<u>\$ 2,517,914,028</u>	<u>\$ 2,650,501,495</u>

* Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment.

Source: West Virginia State Tax Department, Property Tax Division

The amount of Class II property so excluded from the above table was as follows:

<u>Year</u>	<u>Amount</u>
2005-2006	\$ 89,967,142
2006-2007	91,997,276
2007-2008	94,370,504
2008-2009	98,540,927
2009-2010	102,321,044

Source: Virginia State Tax Department, Property Tax Division

Ten Largest Assessed Valuations for 2009-10

<u>Property Owner</u>	<u>Product/Service</u>	<u>Assessed Valuation</u>
Appalachian Power Company	Utility	\$239,223,338
Winfield Locks and Dam	River barge traffic control	135,393,600
Ohio Power Company	Electric generation plant	118,050,247
Toyota Manufacturing, WV, Inc.	Automobile manufacturing	26,167,620
Verizon	Utility	14,792,786
Columbia Gas	Utility	7,356,660
Wal-Mart	Retail store	7,292,580
CSX Transportation	Railroad	6,399,471
Wexford Village	Residential development	6,342,240
Cranberry Pipeline	Utility	4,918,287

Source: Putnam County Assessor's Office

Tax Collection Procedures

All taxes for real estate and personal property are collected by the 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 the taxes were 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. If no person bids the amount of taxes, interest and charges then due, the Sheriff shall purchase the property on behalf of the State for the amount so 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 of the County. The Sheriff accounts for and pays over such money as if it had been paid to him before sale and redemption.

Tax Rate Comparisons

The following table compares Putnam County property tax rates (to be charged on property located outside a municipality) in cents per \$100 assessed valuation, to surrounding counties for the tax year 2009, fiscal year ending June 30, 2010:

<u>County</u>	<u>Class I</u>	<u>Class II</u>	<u>Class III/IV</u>
PUTNAM	56.25	112.50	225.00
Cabell	69.98	139.97	279.94
Mason	58.44	116.88	233.76
Jackson	62.17	124.34	248.68
Kanawha	58.86	117.73	235.46
Lincoln	62.36	124.72	249.44

Source: State of West Virginia, Auditor’s office

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 rates may be increased by up to 100% by boards of education. The increased levies cannot 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.

The aggregate county tax rates, per \$100 assessed valuation for fiscal year ending June 30, 2010, are as follows:

	<u>Class I</u>	<u>Class II</u>	<u>Class III</u>	<u>Class IV</u>
Unincorporated Areas	.5625	1.1250	2.2500	
Incorporated Areas				
Bancroft	.6875	1.3750		2.7500
Buffalo	.6875	1.3750		2.7500
Eleanor	.6856	1.3712		2.7424
Hurricane	.7447	1.4894		2.9788
Poca	.6875	1.3750		2.7500
Winfield	.6836	1.3672		2.7344
Nitro	.7139	1.4278		2.8556

Source: State of West Virginia Auditor’s Office

School Tax Rates

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code the tax limit for school current expenses and school permanent improvement purposes combined is \$.2295 per \$100 assessed valuation in respect to Class I; \$.4590 per \$100 in respect to Class II; and \$.9180 per \$100 in respect to Classes III and IV.

By favorable vote of at least a simple majority of the voters voting in an election, the above limitation may be increased by up to 100% for the period of five years, after which a referendum 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.

The Putnam County School District currently has an excess levy and as of the date of this official statement has no bond levy other than what is contemplated by this official statement as approved by a majority of voters voting in the special election on August 29, 2009.

Putnam County, West Virginia
School Tax Rates - By Property Class
Cents Per \$100

	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>
Class I	43.43	43.00	42.35	42.35	42.35
Class II	86.86	86.00	84.70	84.70	84.70
Class III/IV	173.72	172.00	169.40	169.40	169.40

Source: Putnam County Board of Education

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

Rates of Levy

The tax rates for the citizens of the County, including those imposed by the Putnam County Board of Education, but not including those relating to the Bonds, in cents per \$100 assessed valuation for the 2009-2010 fiscal year, are as follows:

	Rates of Levy		
<u>Tax Type</u>	<u>Class I</u>	<u>Class II</u>	<u>Class III/IV</u>
State Current	.25	.50	1.00
County Current	13.65	27.30	54.60
County Excess	-0-	-0-	-0-
School Current	19.40	38.80	77.60
School Excess	22.95	45.90	91.80
School Bonds	-0-	-0-	-0-

Source: State of West Virginia Auditor's Office

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 2009-2010 fiscal year:

	Rates of Levy		
<u>Municipality</u>	<u>Class I</u>	<u>Class II</u>	<u>Class IV</u>
Bancroft	12.50	25.00	50.00
Buffalo	12.50	25.00	50.00
Eleanor	12.31	24.62	49.24
Hurricane	18.22	36.44	72.88
Poca	12.50	25.00	50.00
Winfield	12.11	24.22	48.44
Nitro	15.14	30.28	60.56

Source: County of Putnam, West Virginia, Assessor's Office

The aggregate county taxes for school purposes, per \$100 assessed valuation after implementing the rates for the Bonds will be as follows:

	<u>Class I</u>	<u>Class II</u>	<u>Class III/IV</u>
School Current Expenses/Permanent Improvement Levy	19.40	38.80	77.60
100% Excess Levy	22.95	45.90	91.80
*2010 Bond Levy	-0-	16.70	33.40

*Reflect Bonds being issued at the maximum allowable rate as approved by the voters at a special election held on August 29, 2009.

Tax Levies and Collections

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Current Expense Levy	\$13,232,191	\$14,177,297	\$14,806,481
Excess Levy	<u>15,146,074</u>	<u>16,771,598</u>	<u>17,515,913</u>
GROSS LEVY	\$28,378,265	\$30,948,895	\$32,322,394
Less:			
Allowance for tax increment financing	(213,381)	(293,736)	(375,243)
Allowance for Assessor's Valuation Fund	<u>(234,150)</u>	<u>(249,572)</u>	<u>(259,278)</u>
NET LEVY	<u>\$27,930,734</u>	<u>\$30,405,587</u>	<u>\$31,687,873</u>
TOTAL COLLECTIONS	<u>\$28,383,127</u>	<u>\$31,312,280</u>	<u>\$31,873,277</u>
Total Collections as percentage of Net Levy	101.62%	102.98%	100.59%

Source: The Board of Education of Putnam County

School District Debt Statement

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. Under such constitutional and statutory standard, the computation of the debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information (pro-forma)

Population (2008 estimate).....	55,488
Assessed Valuation (2009-10 Figures).....	\$ 2,650,501,495*
Debt Limit (5% of Assessed Valuation).....	\$132,525,075
Outstanding Debt (Including the 2010 Bonds).....	\$56,750,000
Debt Contracting Margin.....	\$75,775,075
Per Capita Debt.....	\$1,022.74
Outstanding Debt as a Percentage of Assessed Valuation.....	2.141%

* Assessed valuation is estimated to be approximately 60% of appraised or market value

Source: County of Putnam, West Virginia, Assessor's Office,
West Virginia Department of Tax and Revenue,
Putnam County Chamber of Commerce

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Debt Service Requirements

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

Year	Principal	Interest	Total	Year	Principal	Interest	Total
2011	\$2,785,000	\$2,367,664	\$5,152,664	2019	\$3,845,000	\$1,214,200	\$5,059,200
2012	3,080,000	2,063,450	5,143,450	2020	3,995,000	1,060,400	5,055,400
2013	3,170,000	1,971,050	5,141,050	2021	4,155,000	900,600	5,055,600
2014	3,265,000	1,875,950	5,140,950	2022	4,325,000	734,400	5,059,400
2015	3,365,000	1,778,000	5,143,000	2023	4,495,000	561,400	5,056,400
2016	3,465,000	1,643,400	5,108,400	2024	4,675,000	381,600	5,056,600
2017	3,570,000	1,504,800	5,074,800	2025	4,865,000	194,600	5,059,600
2018	3,695,000	1,362,000	5,057,000				

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. Collections are transferred periodically to the State Municipal Bond Commission. The 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 Authority funds and from special funds that are categorically identified and authorized to supplement bond proceeds or State School Building Authority funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.
3. Capital Projects Fund - The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.
4. General Current Expense Fund - The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes; (2) other local or miscellaneous revenues; (3) State aid to counties for restricted and unrestricted purposes; and (4) Federal aid received directly or through the State, usually categorical or restricted.
5. Special Review 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 Treasurer’s Office, also referred to as the Board of Treasury Investments (“BTI”). BTI is governed by a board of trustees consisting of the Governor of the State of West Virginia, the Auditor of the State of West Virginia, the Treasurer of the State of West Virginia, and two members appointed by the Governor. The Bond Commission currently invests its funds in the Consolidation 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 ninety (90) days.

Accounting Practices

The District's 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 accounting and financial reporting principles. The District's financial 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. The government fund financial statements (Balance Sheet – Government Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Government 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 Auditor's Office of the State of West Virginia or by an independent certified public accounting firm approved by the State Auditor's Office. 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 of America.

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:

January - The Superintendent reviews current year's budget to determine that current year's projections are accurate and within budget.

February - The Superintendent shall begin preliminary work on budget preparation. Estimates of receipts established. Preliminary priorities discussed.

March - Assessed valuations and preliminary State aid calculations received on or about March 3. The Board of Education shall meet between the budget hearing date and March 28 for approval of the proposed levy rates. Budget and levy rates must be submitted to the Department of Tax and Revenue by March 28.

April - On the third Tuesday in April, the Board enters the levy order for taxes commencing July 1.

September - Board advised of ending balances for previous fiscal year. Board evaluates status for current fiscal obligations in relation to ending balances and establishes budgetary changes necessitated

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analysis. 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 Auditor's Office of the State of West Virginia.

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School District's Revenues and Expenses

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Revenue:			
Property taxes	\$28,383,127	\$31,312,280	\$31,873,277
Other sources	2,915,201	2,909,417	2,501,214
Intermediate sources			
State sources	45,434,181	52,524,137	52,149,172
Federal sources	5,964,947	6,855,220	6,851,575
Miscellaneous	43,093	7,258	131,541
Total Revenue	<u>\$82,740,549</u>	<u>\$93,608,312</u>	<u>\$93,506,779</u>
Expenditures:			
Regular Elem/Sec Inst	46,917,850	49,782,533	53,873,639
Community Services	167,831	157,682	155,821
Student Support	2,451,110	2,440,968	2,775,664
Staff Support	2,552,284	2,841,799	2,821,238
Central Administration	1,047,545	1,154,089	1,344,354
School Administration	4,679,076	4,721,280	5,297,890
Business Office	1,499,426	1,656,025	1,809,565
Operation - Maintenance	7,379,617	7,880,808	9,255,803
Transportation	5,824,603	6,231,138	6,616,655
Food Services	4,948,386	5,385,114	5,517,723
Capital Outlay	7,984,944	8,488,126	2,863,982
Debt Service – Principal	-0-	-0-	-0-
Interest and fiscal charges	-0-	-0-	-0-
Total Expenditures	<u>85,452,672</u>	<u>90,739,562</u>	<u>92,332,334</u>
Excess (Deficiency) of Revenues Collected over Expenditures Paid	<u>(2,712,123)</u>	<u>2,868,750</u>	<u>1,174,445</u>
Other Finance Sources			
Proceeds from note payable	-0-		
Operating transfers in	5,469,218	4,145,835	4,165,150
Operating transfers out	<u>(5,469,218)</u>	<u>(4,145,835)</u>	<u>(4,165,150)</u>
Total Other Financing Sources	-0-	-0-	-0-
Extraordinary items	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid	<u>(2,712,123)</u>	<u>2,868,750</u>	<u>1,174,445</u>
Gross Fund at Beginning of Year	9,566,034	6,715,695	9,658,564
Restatement of Fund Balance	(138,216)	74,119	(531,755)
Prior period adjustments	-0-	-0-	-0-
Gross fund balance at beginning of year, restated	<u>9,427,818</u>	<u>6,789,814</u>	<u>9,126,809</u>
Gross Fund Balance at Year End	<u>\$6,715,695</u>	<u>\$9,685,564</u>	<u>\$10,301,254</u>

Source: Putnam County Board of Education

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School District's Budget

	2006-07	2007-08	2008-09	2009-2010
Revenue:				
Property taxes	\$27,424,709	\$29,741,941	\$31,660,213	\$32,699,895
Other sources	2,411,143	3,477,943	3,430,803	2,254,937
State sources	49,786,517	54,035,015	53,172,546	47,626,741
Federal sources	7,608,851	8,081,278	7,516,848	6,559,508
Miscellaneous	9,000	12,944	143,486	4,000
Total revenue	<u>87,240,220</u>	<u>95,349,121</u>	<u>95,923,896</u>	<u>89,145,081</u>
Expenditures:				
Regular elem/sec instruction	48,008,600	51,323,481	54,649,029	54,758,717
Supporting services				
Students	2,172,492	2,544,515	2,645,219	2,203,038
Instructional staff	2,967,197	3,132,055	2,856,221	2,047,535
Central administration	1,155,816	1,269,008	1,385,865	1,352,925
School administration	4,748,557	4,878,275	5,091,024	5,017,878
Business	1,583,456	1,803,475	1,809,240	1,784,939
Operation and maintenance of facilities	7,111,397	8,728,472	10,545,087	8,292,433
Student transportation	5,555,901	6,570,516	6,672,344	6,325,470
Food Services	5,038,034	5,766,130	5,359,709	5,460,162
Community services	167,600	177,104	164,261	179,839
Capital Outlay	14,627,845	11,579,568	8,096,628	1,906,950
Total expenditures	<u>93,136,895</u>	<u>97,772,599</u>	<u>99,274,627</u>	<u>89,329,886</u>
Excess (deficiency) of revenues over expenditures	<u>(5,896,675)</u>	<u>(2,423,478)</u>	<u>(3,350,731)</u>	<u>(184,805)</u>
Other financial sources (uses):				
Transfers in	5,500,375	4,058,531	4,165,503	3,579,334
Transfers (out)	<u>(4,323,054)</u>	<u>(4,089,446)</u>	<u>(4,621,586)</u>	<u>(3,579,334)</u>
Total other financing sources (uses):	<u>1,177,321</u>	<u>(30,915)</u>	<u>(456,083)</u>	<u>-0-</u>
Net change in fund balances	<u>(4,719,354)</u>	<u>(2,454,393)</u>	<u>(3,806,814)</u>	<u>(184,805)</u>
Actual fund balance at end of prior year	<u>4,719,354</u>	<u>2,454,393</u>	<u>3,806,814</u>	<u>184,805</u>
Projected fund balance at end of current year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Source: Putnam County Board of Education

Teachers' Retirement System

The State Teachers' Retirement System (TRS) was established on July 1, 1941 for the purpose of providing retirement benefits for teachers and school service personnel. TRS is a defined benefit plan that currently has approximately 19,313 active members and 26,050 retired members. An active member contributes 6% of his or her gross monthly salary into the retirement plan. The employer contributes an additional 15% of the member's gross monthly salary into the plan for employees hired before July 1, 2005 and 7.5% for employees hired for the first time on or after July 1, 2005.

A member with 5 or more years of contributing service who terminates employment prior to retirement, but does not withdraw his or her employee contributions, will be eligible for retirement benefits at age 62, or at age 60 with 20 years of contributing service.

A regular retirement benefit, paid in equal monthly installments, is an amount equal to 2% of a member's final average salary multiplied by the member's years of service credit. Final average salary refers to the average of the 5 highest fiscal year salaries out of the last 15 fiscal years of contributing service. Normally, this figure will come from the last 5 years of employment.

TRS funding policy provides for member contributions based on 6% of members' annual compensation. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined. The employers make the following contributions:

The county boards of education, utilizing funds made available through the State's School Aid formula, contribute 15% of the compensation of their TRS-covered employees hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005. The State contributes 15% of the compensation of TRS members employed by the State hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005. Other employers contribute 15% of their TRS-covered employees' compensation for the ones hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005.

In addition, the State contributes a certain percentage of fire insurance premiums paid by State residents and an amount determined by the State actuary as being needed to extinguish the TRS unfunded liability by June 30, 2034. Counties contribute 15% of the compensation of TRS members' salaries not covered under the State's School Aid formula for the ones hired for the first time prior to July 1, 2005, and 7.5% for employees hired for the first time on or after July 1, 2005. See Appendix A - Audited Financial Statements for the Fiscal Year Ended 2009.

As of July 1, 2009, the unfunded liability of TRS was \$5.05310 billion. The funded percentage was 41.3%. Projected amortization of the unfunded liability was June 30, 2034.

Source: West Virginia Consolidated Public Retirement Board
The Board of Education of Putnam County, West Virginia

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering full time employees of the State's 55 county public school systems, the State Department of Education, several Higher Education employees, and the School for the Deaf and Blind who are hired after June 30, 1991. TDC members may also include former TRS plan members, including higher education employees, who have elected to transfer into or participate in TDC. TDC benefits depend solely on amounts contributed to the plan plus investment earnings/losses. Chapter 18, Article 7B of the West Virginia Code establishes the plan provision for TDC. On July 1, 2005, TDC closed to new participants. On July 1, 2008, participants in TDC were transferred to TRS.

The West Virginia Code requires employees to contribute 4.5% of their gross compensation, tax deferred and the employers to contribute 7.5% of covered members' gross compensation. Employer contributions for each employee (and interest earnings and/or losses allocated to the employee's account) become 1/3 vested after six years, 2/3 vested after nine years and fully vested after 12 complete years of service. Non-vested employer contributions and earnings are forfeited by employees who leave employment prior to becoming fully vested in the event the employee does not return to active participant status within five years to reduce the employer's current period contribution requirement. Any such forfeitures arising from contributions, plus earnings thereon, will be used to reduce future employer contributions.

Source: West Virginia Consolidated Public Retirement Board

SUMMARY OF INSURANCE COVERAGE

Type:	<u>Amount in Force</u>
Fire, Extended Coverage/Buildings and Personal Property	\$133,739,344
Subject to the following limitations:	
Fidelity Honest Bond	1,000,000
Money and Securities	1,000,000
 Public Official Position Bond	
Superintendent	\$ 25,000
Board President	5,000
Treasurer	600,000

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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 Company of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for the coverage period July 1, 2009 to July 1, 2010, 12:01 Eastern Standard Time.

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 Garagekeeper's Insurance

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 not to exceed (actual cash value) each vehicle subject to a deductible of \$1,000 for private passenger vehicles or \$1,000 for other vehicle types including mobile equipment.

Aggregate: The insurer's aggregate limit of liability for all covered damages, fees (including attorney's fees), costs and expenses for the defense of claims and lawsuits and for interest is \$5,000,000 maximum, regardless of the number of claims, lawsuits, claimants, occurrences, offenses, wrongful acts or omissions, accidents, losses, insureds or policies or certificates of insurance issued by the insurer to the State of West Virginia, any political body or agency or subdivision of the State and any charitable or public service organization. Therefore, could be reduced or even eliminated because of payments under other certificates of insurance and the policy issued to the State of West Virginia.

Defense Costs Defense costs are in addition to the each occurrence limit of liability. However, defense costs are subject to the aggregate limit of liability and will be charged to it.

Source: The Board of Education of Putnam County, West Virginia

THE COUNTY OF PUTNAM

Introduction

Putnam County (the "County") is located in the west central area of West Virginia and its 2000 population was 51,589. The estimated population as of 2008 was 55,488. Winfield, the county seat, is 253 miles from Pittsburgh, PA, 139 miles from Columbus, OH, 198 miles from Cincinnati, OH, 558 miles from New York, NY, and 292 miles from Charlotte, NC. In addition to Winfield, Bancroft, Buffalo, Eleanor, Hurricane, Poca and Nitro are the other incorporated communities in Putnam County.

Putnam County is 351 square miles in size and is surrounded by Mason and Jackson Counties to the north, Lincoln County to the south, Cabell County to the west and Kanawha County to the east.

Since 1990, the population of the County has increased as indicated in the following table:

	<u>1990</u>	<u>2000</u>	<u>2008</u>
Putnam County	42,835	51,589	55,488
West Virginia	1,782,958	1,807,442	1,814,468

Since 2000, it is estimated that Putnam County's population has increased as follows:

<u>2000</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
51,589	52,205	53,750	55,001	55,488

Source: U. S. Census Bureau, Putnam County Chamber of Commerce

Economy

The economy of Putnam County is driven by the automobile manufacturing, construction, and power generation industries. Putnam County's economy is influenced by the economies of Columbus, OH, Cincinnati, OH, and Pittsburgh, PA. The east/west corridor of Interstate 64 passing through the southern part of Putnam County, the north/south corridor of U.S. 35, and the southeast/northwest corridor of the Kanawha River, provide links to the national economy. Putnam County is located in the Charleston Metropolitan Statistical Area, which also incorporates Kanawha, Lincoln, Boone, and Clay Counties in West Virginia. There are 309,635 people living within the Charleston Metropolitan Statistical Area.

There are fifteen financial institutions in the County.

Employment and Income Statistics

Average Annual Unemployment Rates

	<u>Putnam County</u>	<u>West Virginia</u>	<u>United States</u>
2009	6.40%	7.23%	9.28%
2008	3.20%	4.27%	5.82%
2007	3.50%	4.34%	4.60%
2006	3.80%	4.60%	4.61%
2005	4.40%	4.91%	5.08%

Employment by Industry

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Mining	100	132	150	165
Construction	2,670	2,856	2,998	3,364
Manufacturing	1,902	1,959	2,112	2,159
Trade, Transportation and Utilities	5,358	5,291	5,256	5,595
Information	276	321	365	379
Finance, Insurance and Real Estate	825	868	854	971
Professional and Business Services	1,224	1,303	1,723	1,916
Education and Health Services	1,418	1,423	1,492	1,651
Leisure and Hospitality	1,585	1,594	1,695	1,720
Other Services	509	556	489	515
Government	2,284	2,366	2,347	2,357

Average Employment and Wages for 2008

	<u>Putnam County</u>	<u>West Virginia</u>	<u>United States</u>
Average Employment	20,798	709,575	135,185,230
Average Annual Wage	\$42,015	\$35,985	\$42,270

Wages per Industry for 2008

<u>Industry</u>	<u>Total Wages</u>	<u>Average Annual Wage</u>	<u>Average Weekly Wage</u>
Agriculture	\$ 1,645,269	\$22,537	\$ 433.42
Mining	8,740,744	95,008	1,827.08
Construction	181,532,721	53,963	1,037.75
Manufacturing	129,051,838	59,774	1,149.50
Trade, Transportation and Utilities	226,572,174	40,495	778.75
Information	17,581,161	46,388	892.08
Finance, Insurance and Real Estate	44,058,202	45,374	872.58
Professional and Business Services	91,500,059	47,755	918.38
Education and Health Services	55,312,061	33,502	644.27
Leisure and Hospitality	20,255,330	11,776	226.46
Other Services	15,395,014	29,893	574.87
Government	82,083,623	34,825	669.71
Total	\$ 873,728,196	\$42,015	\$ 807.98

Per Capita Personal Income

<u>Location</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
United States	\$37,728	\$39,430	\$40,208
West Virginia	28,722	30,144	31,641
Putnam County	31,582	33,505	35,515*

*Approximate

Source: West Virginia Bureau of Employment Programs
 Work Force West Virginia
 United States Department of Labor, Bureau of Labor Statistics
 The United States Department of Commerce, Bureau of Economic Analysis

Ten Largest Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
Putnam County Board of Education	Public education	1,235
Toyota Motor Manufacturing	Automotive manufacturing	1,054
Appalachian Power – John Amos Plant	Electric power generation	452
Rite Aid of West Virginia	Retail distribution	450
CAMC Teays Valley Hospital	Health care	424
Babcock & Wilcox	Construction	352
Wal-Mart	Retail	320
U S Foodservice	Wholesale grocery	215
Putnam County Commission	Government	210
Appalachian Power Service Corp.	Customer service center	180

Education

The availability of higher education opportunities around Putnam County is abundant. Marshall University in Huntington, West Virginia and West Virginia State University in Institute, West Virginia are within minutes of the Putnam County seat. Marshall University Graduate College is located in South Charleston, West Virginia is 24 miles away. There are two community colleges, one in Huntington, West Virginia and another in Institute, West Virginia. The University of Charleston is located in Charleston, West Virginia, 31 miles away.

The Putnam County Library houses more than 95,000 volumes in Winfield, with branches throughout the County. The Putnam County Library compliments all aspects of basic and higher education.

Transportation

Winfield, the county seat, is located on the Kanawha River, which is a major waterway for barge freight. US Route 35 intersects the County from northwest to southeast. Rail service is provided by CSX. The CSX mainline runs through the southern part of the county. Interstate 64 dissects the southern part of the county from east to west.

Charleston's Yeager Airport is 22 miles from Winfield. Huntington's Tri-State Airport is 45 miles from Winfield. Columbus (Ohio) International Airport is 198 miles from Winfield.

Recreation and Tourism

Putnam County is very sports oriented. Its organized secondary schools sports programs compete for state championships in baseball, basketball and football on a regular basis.

Marshall University which is 25 miles away in Huntington, West Virginia is a member of the NCAA Conference USA. Its football team won national championships in NCAA Division I-AA, when it competed in the Southern Conference.

There are four golf courses, an ice rink, a wave pool, four city and county parks, four public/private swimming pools, three public tennis courts, a bicycle trail, and two boat launch ramps in Putnam County.

The Tri-County YMCA is located at Scott Depot, in Putnam County.

Huntington and Charleston have nationally recognized museums and both cities have symphony orchestras that offer full performance seasons.

Communications

There are three daily newspapers that cover events in Putnam County, including the *Huntington Herald Dispatch*, the *Charleston Daily Mail* and *The Charleston Gazette*. There are three weekly newspapers.

The area is served by five television stations that represent five networks, one public television station, 2 cable television companies, and eighteen AM and FM radio stations.

Utilities and Services

Electricity is provided by Appalachian Power. Water and sewerage service is provided by several municipalities, public service districts, and West Virginia American Water Company. Verizon provides land-based telephone service to Putnam County. Natural gas is provided by Mountaineer Gas Company and Union Oil and Gas. Television cable service is provided by Comcast Communications, Suddenlink Communications, and Bradley Communications.

Health Care

CAMC Teays Valley is situated in Hurricane, West Virginia along the I-64 corridor in the southern part of the County. It is a 68 bed hospital and part of the larger Charleston Area Medical Center in Charleston, West Virginia, 22 miles away. There are six hospitals within thirty minutes of Winfield, including Cabell Huntington Hospital, a university teaching hospital at Marshall University. There are two nursing homes and two assisted living facilities in Putnam County.

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations upon the conditions and subject to the limitations set forth in this section, and (b) under existing West Virginia law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

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

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation, clarifications or amendments to the Code, if enacted into law, any proposed legislation, clarifications or amendments to the Code, or any court decisions affecting the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

The foregoing is only a general summary of certain provisions of the Code and does not purport to be complete. Owners of the Bonds should consult their own tax advisors as to the effects of the Code in their particular circumstances. Bond Counsel will render no opinion with respect to these or other collateral tax consequences of owning the Bonds.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

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

On May 11, 1982, in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property-rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The Court expressed its intention that the master plan be viewed as a proposal to the State legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 5, 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 Board 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 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.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages special 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 expected 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, fifty (50) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability for other post-employment benefits payable related to state aid eligible employees and to pay any future amounts billed by PEIA for state aid eligible employees. The Board does not expect the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Bonds.

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 that materially adversely affects the financial condition of the Board.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, 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, Charleston, West Virginia, Counsel to the Board.

CONTINUING DISCLOSURE

The Board has agreed to execute and deliver contemporaneously with the issuance of the Bonds, to provide, in accordance with the Continuing Disclosure Certificate, which shall be delivered in substantially the form attached hereto as Appendix D, for the benefit of the Registered Owners of the Bonds to provide certain financial and operating information of the System (the "Annual Information") not later than two hundred seventy (270) days following the end of the fiscal year of the School District, commencing with the report for the fiscal year ending June 30, 2010, and to provide notice of the occurrence of the enumerated events listed therein, if material. The Annual Information and each notice of material events will be filed electronically by United Bank, Charleston, West Virginia, as dissemination agent, on behalf of the School District, with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken by the School District to comply with Rule 15c2-12 promulgated by the SEC. The School District has agreed to give notice in a timely manner to EMMA of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Bonds. Registered Owners may contact the School District's Treasurer at 9 Courthouse Drive, Winfield, West Virginia 25213 for more information. Under the Continuing Disclosure Certificate, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

RATING

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

SALE AT COMPETITIVE BIDDING

The Bonds were offered by the Board at competitive bidding on March 10, 2010, in accordance with the Official Notice of Sale.

UNDERWRITING

Citigroup Global Markets, Inc. (the "Underwriter") has agreed to purchase the Bonds in an aggregate amount of \$59,807,616.60, which includes a net premium in the amount of \$3,057,616.60 and no accrued interest, pursuant to a proposal received by the Board from the Underwriter on March 10, 2010 in connection with the Board's Official Notice of Sale of the Bonds, dated March 4, 2010. The Underwriter may offer and sell the Bonds to certain dealers, including dealers depositing such Bonds into investment trusts, and others at prices lower than the public offering price on the cover page hereof. The Underwriter will purchase all of the Bonds if any are purchased. The Underwriter expects to make a bona fide public offering of the Bonds at the prices set forth on the cover page hereto; however, such public offering prices may be changed after the initial offering by the Underwriter.

FINANCIAL ADVISOR

Scott & Stringfellow, LLC, Charleston, West Virginia, Financial Advisor to the Board, or its directors or employees, may hold, own or dispose of bonds, including the Bonds issued by the Board. BB&T Capital Markets, a subsidiary of Scott & Stringfellow, LLC may wish to bid alone or as a member of a syndicate for the purchase of these Bonds.

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CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the \$56,750,000 in aggregate principal amount of the Board of Education of the County of Putnam, West Virginia Public School Bonds, Series 2010. The material contained in the Official Statement was compiled for and at the direction of the Board by Scott & Stringfellow, Inc., in its capacity as Financial Advisor to the Board.

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

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

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

By: /s/ Dr. Craig Spicer
President

ATTEST:

By: /s/ Harold Hatfield
Secretary

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Appendix A

Audited Financial Statements for the Fiscal Year Ended 2009

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PUTNAM COUNTY BOARD OF EDUCATION
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**PUTNAM COUNTY BOARD OF EDUCATION
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**PUTNAM COUNTY BOARD OF EDUCATION
INDEX OF FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

GOVERNMENTAL FUND TYPES

General Current Expense

Special Revenue

Capital Projects Fund

FIDUCIARY FUND TYPE

Agency School Activities

**PUTNAM COUNTY BOARD OF EDUCATION
BOARD OFFICIALS
JUNE 30, 2009**

<u>Office</u>	<u>Name</u>	<u>Term</u>
	<u>Elective</u>	
Board Members:	Dr. Craig C. Spicer, D.D.S.	07/01/06 - 06/30/10
	William Legg	07/01/06 - 06/30/10
	Deborah F. Phillips	07/01/06 - 06/30/10
	Jack Coyner	07/01/08 - 06/30/12
	Dr. Sam P. Sentelle	07/01/08 - 06/30/12
	<u>Appointive</u>	
Board President	Dr. Craig C. Spicer, D. D. S.	07/01/08 - 06/30/10
Superintendent	Harold Hatfield	07/01/08 - 06/30/12
Treasurer	William D. Duncan, CPA	

SULLIVANWEBB, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
422 KINETIC DRIVE - P.O. BOX 2745
HUNTINGTON, WEST VIRGINIA 25727-2745
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BRUCE I. SULLIVAN, CPA
CHARLES D. WEBB, MBA, CPA

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

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Honorable Members of
Putnam County Board of Education
Winfield, West Virginia

We have audited the accompanying financial statements of the Putnam County Board of Education, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Putnam County Board of Education, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2010, on our consideration of Putnam County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 through 14 and 45 through 47 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Putnam County Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Also, the accompanying other supplementary information of the schedule of changes in School Activity Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements of Putnam County Board of Education. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Susan Webb, CPA".

January 15, 2010

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Our discussion and analysis of the Putnam County Board of Education's (Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2009. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's assets exceeded liabilities by approximately \$60.7 million (net assets) at the close of the most recent fiscal year. Of this amount, the Board had unrestricted net assets of approximately \$3.3 million.
- The Board's total net assets increased by approximately \$9.6 million. This increase is attributable to an increase in capital assets net of accumulated depreciation of approximately \$4.8 million of which the Board received capital grants from the West Virginia School Building Authority (SBA). The construction costs are expenditures on the fund statements and capitalized assets on the district wide statements. The remaining amount of the increase was primarily due to the approximately \$6.2 million from the implementation of a new accounting principle, GASB Statement No. 45 regarding Other Post Employment Benefits (OPEB). This resulted in a one-time increase to net assets because the liability is now being amortized over a 30 year period with the new RHBT Trust Fund. Currently, the Board is required to report an OPEB liability in the fund statements as it accumulates and will eventually be responsible for repayment of the liability.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$10.3 million, an increase of approximately \$1.2 million in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was approximately \$6.5 million, or eight 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.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, and the capital projects fund, all of which are considered major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found in the basic financial statements following the governmental funds statements.

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 \$60.7 million at the close of the most recent fiscal year.

- The largest portion of the Board's net assets (95%) 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.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

- An additional portion of a Board's net assets represents resources that are subject to external restrictions on how they may be used. The Board did not have any restricted resources.
- The remaining balance of unrestricted net assets 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. At the end of June 30, 2009, the Board had an unrestricted net asset balance of approximately \$3.3 million. The increase from a \$4.0 million unrestricted net asset deficit in the prior year is attributable to capital grants from SBA for construction of capital assets. The construction costs are expenditures on the fund statements and capitalized assets on the district wide statements. The remaining amount of the increase was primarily due to the approximately \$6.2 million from the implementation of a new accounting principle, GASB Statement No. 45 regarding Other Post Employment Benefits (OPEB). This resulted in a one-time increase to net assets because the liability is now being amortized over a 30 year period with the new RHBT Trust Fund.
- The unrestricted net asset balance is lower than the average Board primarily as a result of the Board's net pension obligation for the supplemental pension plan provided to its employees. The unfunded net pension obligation liability at June 30, 2009 was approximately \$8.9 million. Only one other County Board of Education has such a plan in the State of West Virginia.

The following summarizes the statement of net assets at June 30, 2009 in comparison with the year ended June 30, 2008:

	2009 Governmental Activities	2008 Governmental Activities
ASSETS		
Current and other assets	\$ 23,378,543	\$ 21,401,101
Capital assets	59,836,480	55,073,337
Total assets	\$ 83,215,023	\$ 76,474,438
LIABILITIES AND NET ASSETS		
Liabilities:		
Current and other liabilities	\$ 11,039,435	\$ 10,541,971
Long-term liabilities outstanding	11,500,187	14,895,771
Total liabilities	22,539,622	25,437,742
Net assets:		
Invested in capital assets, net of related debt	57,421,938	55,038,625
Restricted	-	-
Unrestricted	3,253,463	(4,001,929)
Total net assets	60,675,401	51,036,696
Total liabilities and net assets	\$ 83,215,023	\$ 76,474,438

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

The key elements of the changes in the Board's statement of net assets for the year ended June 30, 2009 are as follows:

- The Board's total net assets increased by approximately \$9.6 million. This increase is attributable to an increase in capital assets net of accumulated depreciation of approximately \$4.8 million of which the Board received capital grants from the SBA. The construction costs are expenditures on the fund statements and capitalized assets on the district wide statements. The remaining amount of the increase was primarily due to the approximately \$6.2 million from the implementation of a new accounting principle, GASB Statement No. 45 regarding Other Post Employment Benefits (OPEB). This resulted in a one-time increase to net assets because the liability is now being amortized over a 30 year period with the new RHBT Trust Fund. Currently, the Board is required to report an OPEB liability in the fund statements as it accumulates and will eventually be responsible for repayment of the liability.
- The Board's current and other assets increased by approximately \$2.0 million during the current fiscal year. This is due primarily to an increase in investments which was a result of the Board's excess of revenues over expenditures as noted in the fund statements.
- The Board's capital assets increased by approximately \$4.8 million, net of accumulated depreciation. This increase is primarily the result of the construction at Mountain View, Eastbrook, and Scott Teays Elementary Schools. In addition, the Board purchased land adjacent to Hurricane High School for \$2.5 million.
- The Board's current liabilities remained basically unchanged.
- The Board's long-term liabilities decreased by approximately \$3.4 million. This net decrease was the result of the following activity: (1) long-term debt decreased by approximately \$5.9 million (net) as a result of the implementation of GASB Statement No 45 for the OPEB liability; (2) the Board acquired a parcel of property and entered into a long-term capital lease which increased long-term debt by approximately \$2.4 million; and (3) the remainder of the increase of approximately \$.1 million was the result of the increase in the long-term portion of the Board's supplemental pension plan.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

The following summarizes the statement of activities at June 30, 2009 in comparison with the year ended June 30, 2008:

	2009	2008
	Governmental	Governmental
	Activities	Activities
	<u> </u>	<u> </u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,164,071	\$ 1,076,243
Operating grants and contributions	10,007,096	10,295,517
Capital grants and contributions	1,870,411	6,133,028
General revenues:		
Property taxes	31,792,861	31,241,023
Unrestricted state aid	48,370,832	44,181,220
Unrestricted investment earnings	263,956	587,001
Unrestricted grants and contributions	-	-
Total revenues	<u>93,469,227</u>	<u>93,514,032</u>
Expenses:		
Instruction	<u>55,753,210</u>	<u>51,053,409</u>
Supporting services:		
Students	2,776,389	2,433,754
Instructional staff	2,821,868	2,835,203
District admin.	1,396,156	1,212,633
School admin.	5,299,275	4,707,487
Business services	1,810,002	1,651,503
Operation and Maintenance	8,615,162	7,698,003
Transportation	5,805,308	5,511,754
Total supporting services	<u>28,524,160</u>	<u>26,050,337</u>
Food services	5,680,470	5,422,222
Community services	155,821	157,682
Interest on long-term debt	-	-
Total expenses	<u>90,113,661</u>	<u>82,683,650</u>
Change in net assets before transfers	3,355,566	10,830,382
Transfers		
Change in net assets	<u>3,355,566</u>	<u>10,830,382</u>
Net assets - July 1 (2009 restated)	<u>57,319,835</u>	<u>40,206,314</u>
Net assets - June 30	<u>\$ 60,675,401</u>	<u>\$ 51,036,696</u>

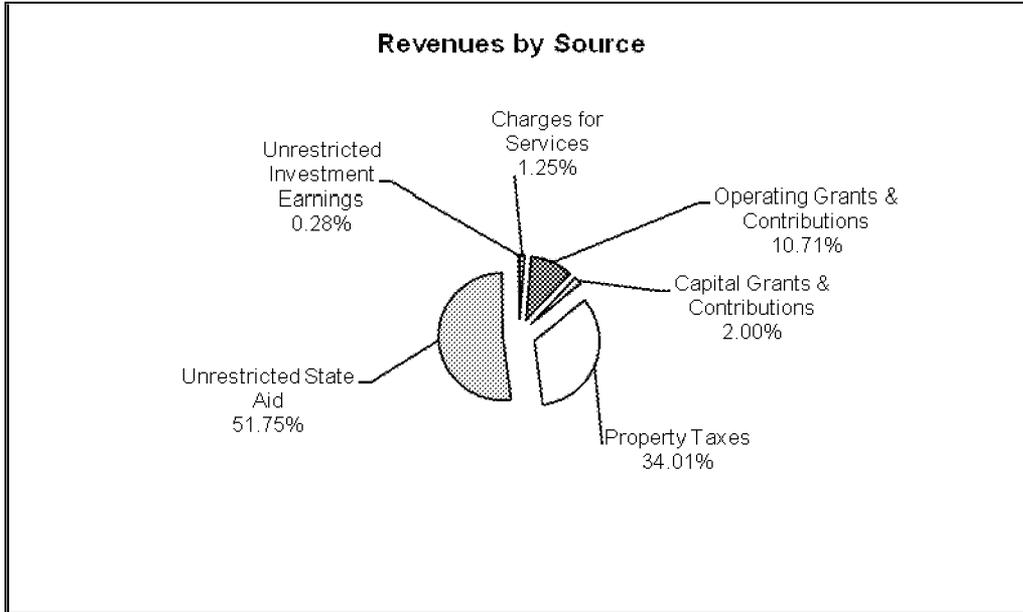
The key elements of the changes in the Board's statement of activities for the year ended June 30, 2009 are as follows:

- The Board's capital grants decreased by approximately \$4.3 million due to several SBA projects under construction during 2008 that were completed in 2009.
- The Board's unrestricted state aid revenue increased by approximately \$4.2 million. This increase was due primarily to salaries and benefits of \$2.1 million, bus replacement of \$0.1 million. In addition, the Board implemented GASB Statement 45 and as a result recognized as revenue credits made on behalf of the Board by the State of West Virginia in the approximate amount of \$2.0 million.
- Instructional expenses increased by approximately \$4.7 million due to an increase in salaries and related fixed charges resulting from raises approved by the West Virginia Legislature and increased personnel.

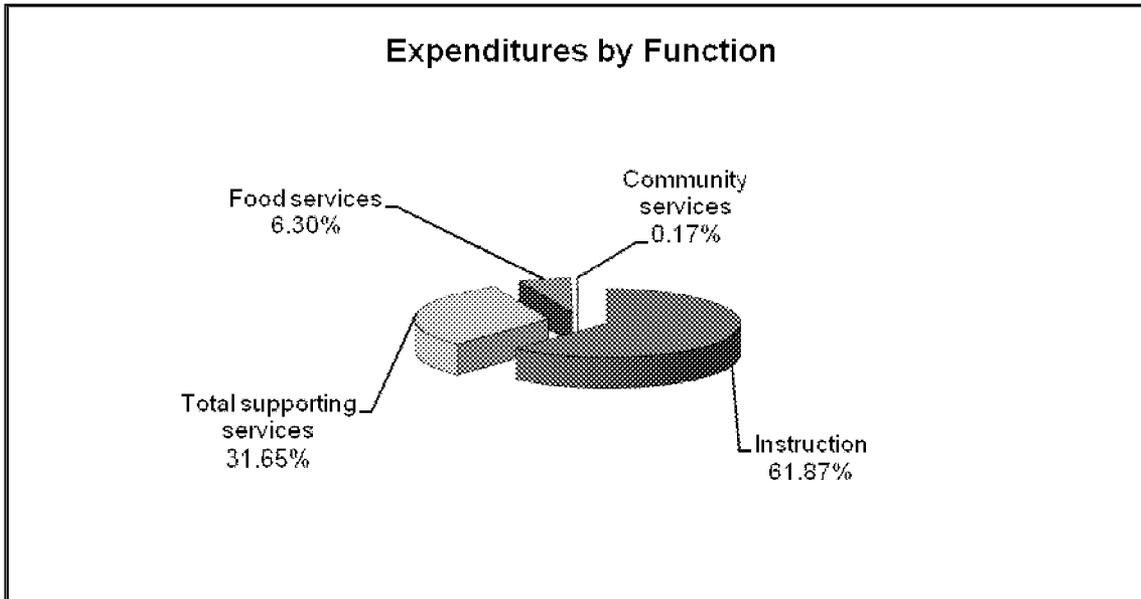
**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

- Operation and maintenance expenses increased by approximately \$917 thousand primarily due to increases in salaries/benefits, utilities, general repairs and maintenance, and reductions of capital expenditures.

The following chart shows the Board's revenues for fiscal year ended June 30, 2009 by source:



The following chart shows the Board's expenditures for fiscal year ended June 30, 2009 by function:



**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Financial Analysis of the Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately \$10.3 million. The net change in fund balance was an increase of approximately \$1.2 million which was due to an increase in net income resulting primarily from increases in unrestricted state aid and property tax revenue.

In addition, the following other changes in individual fund balances should be noted:

- The General Current Expense Fund (the operating fund) showed an increase of \$759,754 due to an increase in the Board's Unrestricted State Aid Revenue of approximately \$4.2 million. The increase in revenue was partially offset by increased salaries and benefits, as well as expenses reported relating to the implementation of GASB Statement 45.
- The special Revenue Fund showed a decrease of \$235,148 due to a change in encumbrances outstanding for the current year as compared to the previous year.
- The Capital Projects Fund showed an increase of \$649,839 due to funds transferred from the General Fund to match School Building Authority projects at Scott Teays Elementary, Hurricane Town Elementary, and School Access Safety projects at various schools.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the Board's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the Board's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. There were no Board designated amounts as of June 30, 2009.

Fund Balances for Individual Governmental funds at June 30, 2009, are as follows:

General Current Expense	\$ 7,696,876
Special Revenue Fund	139,457
Capital Projects Fund	<u>2,464,921</u>
Total Governmental Funds	\$ <u>10,301,254</u>

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was approximately \$4.1 million or five percent in total general fund expenditures. The most significant differences are related to budget carryover transactions.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2009, amounts to approximately \$59.8 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 \$4.7 million. The increase represented the amount of capital asset additions in excess of depreciation expense.

- Construction in process decreased \$7.6 million. The New Teays Elementary, Eastbrook Elementary, and SBA School Safety Projects were completed and transferred to Buildings and Furniture; and construction projects were begun at Scott Teays Elementary, Hurricane Town Elementary, and School Building Authority Safety Projects at various schools.
- Furniture and equipment increased primarily from the completion of the New Teays Elementary School project.
- Vehicles increased primarily due to the purchase of eight new school buses.
- Buildings increased due to the completion of the New Teays Elementary School, Eastbrook Elementary, and School Safety Projects.
- Land increased by \$2.5 million due to the purchase of land adjacent to Hurricane High School.

Major capital asset at June 30, 2009 in comparison with the year ended June 30, 2008 are as follows:

	2009	2008
	Governmental	Governmental
	Activities	Activities
Land	\$ 5,760,196	\$ 3,260,196
Buildings and improvements	48,300,350	39,338,736
Land improvements	507,675	458,846
Furniture and equipment	1,323,508	785,510
Vehicles	3,182,974	2,870,174
Construction in process	761,777	8,359,875
Total capital assets	\$ 59,836,480	\$ 55,073,337

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

Long-term debt. At the end of the current fiscal year, the Board had no bonded debt. The Board did increase the outstanding capital lease obligation with the purchase of a parcel of property in the amount of \$2.5 million.

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 16 - For the fiscal year ended June 30, 2008, the Board included in compensated absences an estimate amount for accrued personal leave using the guidance provided in GASB Statement 16. The liability associated with accrued personal leave will be included as a part of other post employment benefits when the Board implements GASB 45 reporting requirements for the fiscal year ended June 30, 2009.

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

GASB 45 – The Board implemented GASB Statement 45 reporting requirements *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2009. In addition to pensions, many state and local governmental employers provide *other postemployment benefits* (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

As a result of these changes, the Board's long term obligations decreased by approximately \$6.8 million as a result of adoption of GASB Statement No. 45. However, the new OPEB liability of \$896 thousand is expected to continue and grow as the Board is billed annually for these amounts.

In addition to participating in the State of West Virginia Teachers Retirement System, the Board has a single-employer defined benefit plan. This plan provides certain benefits to retirees of the Board who were hired prior to July 1, 1990. These benefits are paid based upon a calculation which includes years of service up until death of the retiree. The obligation for this liability was approximately \$8.9 million at June 30, 2009.

Long term debt at June 30, 2009 in comparison with the year ended June 30, 2008 as follows:

	2009 Governmental Activities	2008 Governmental Activities
Capital Lease obligations	\$ 2,414,542	\$ 34,712
Net pension obligation	8,914,512	8,769,879
Compensated absences	290,044	270,034
OPEB liability	895,537	-
Accrued sick leave	-	6,814,894
Total debt outstanding	\$ 12,514,635	\$ 15,889,519

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, 2008, 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, 2009 the Board had a liability of approximately \$896 thousand of which a portion of this liability 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 provide an additional appropriation for a portion of the State Aid eligible employees OPEB cost for 2009 in the amount of \$2.0 million. Without this appropriation, the Board would have had an additional unfunded liability that would have been the responsibility of the County. Currently, the State of West Virginia has not appropriated any such amounts for the 2010 fiscal year which could result in a significant increase in the Board's liability for future years. As a result of the OPEB issue, many of the other County school systems have begun to

**PUTNAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended June 30, 2009

pursue legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing OPEB to employees otherwise funded through the program.

- On August 29, 2009, the voters of Putnam County approved the issuance of \$56,750,000 in construction bonds. In addition, the School Building Authority of West Virginia awarded Putnam County a grant in the amount of \$21,745,763. A combined total of \$78,495,763 in construction projects are now planned for the County. Further details can be found in the Notes to the Financial Statements.
- The Board will receive approximately \$913,899 in additional Title I funds and approximately \$2,517,592 in Individual with Disabilities Education Act funds from the American Recovery and Reinvestment Act during 2009.

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 at 9 Courthouse Drive, Winfield, West Virginia 25213.

**PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUN E 30, 2009**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,195,529
Investments	12,003,821
Prepaid expenses	500
Taxes receivable, net of allowance for uncollectible taxes	1,794,090
Food services receivable	194,771
Other receivables	892,489
Deferred Charges - issuance costs	-
Due from other governments:	
State aid receivable	433,740
PEIA allocation receivable	1,133,816
Reimbursements receivable	729,787
Capital Assets:	
Land	5,760,196
Buildings and improvements	61,663,361
Land improvements	3,530,409
Furniture and equipment	3,207,879
Vehicles	9,794,804
Construction in process	761,777
Less accumulated depreciation	(24,881,946)
Total capital assets, net of depreciation	59,836,480
Total assets	83,215,023
LIABILITIES AND NET ASSETS	
Liabilities:	
Salaries payable and related payroll liabilities	6,751,577
Workers' compensation payable	47,221
PEIA premiums payable	2,209,400
Compensated absences	290,044
Accounts payable	553,216
Deferred revenue	463,573
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	210,994
Accrued interest	-
Net pension obligation	513,410
OPEB liability	-
Due beyond one year:	
Bonds, capital leases, and contracts	2,203,548
Net pension obligation	8,401,102
OPEB liability	895,537
Total liabilities	22,539,622
Net Assets:	
Invested in capital assets, net of related debt	57,421,938
Restricted for:	
Debt service	-
Special projects	-
Worker's compensation	-
Capital projects	-
Unrestricted	3,253,463
Total net assets	\$ 60,675,401

See Notes to Financial Statements

PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
June 30, 2009

Functions	Expenses	Program Revenues		Net (Expense), Revenue & Changes in Net Assets Governmental Activities	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
Instruction	\$ 55,753,210	\$ 195,845	\$ 1,896,225	\$ 1,237,277	\$ (52,423,863)
Supporting services:					
Students	2,776,389	897,747	230,785	61,536	(1,586,321)
Instructional staff	2,821,868	20,399	4,131,413	62,659	1,392,603
District administration	1,396,156	1,570	4,571	31,049	(1,358,966)
School administration	5,299,275	5,950	17,322	117,649	(5,158,354)
Business services	1,810,002	2,034	5,921	40,214	(1,761,833)
Operation and maintenance of facilities	8,615,162	9,667	28,145	191,156	(8,386,194)
Student transportation	5,805,308	6,517	118,974	128,871	(5,550,946)
Food services	5,680,470	7,845	3,573,740	-	(2,098,885)
Community services	155,821	16,497	-	-	(139,324)
Interest on LTD	-	-	-	-	-
Total governmental activities	90,113,661	1,164,071	10,007,096	1,870,411	(77,072,083)
General revenues:					
Property taxes					31,792,861
Unrestricted state aid					48,370,832
Unrestricted investment earnings					263,956
Unrestricted grants and contributions					-
Transfers in					4,165,150
Transfers (out)					(4,165,150)
Total general revenues and transfers					80,427,649
Change in net assets					3,355,566
Net assets - beginning, as restated					57,319,835
Net assets - ending					\$ 60,675,401

See Notes to Financial Statements

PUTNAM COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	General Current Expense	Special Revenue Fund	Capital Projects Fund	Total Governmental
ASSETS				
Cash and cash equivalents	\$ 3,586,563	\$ -	\$ 2,608,966	\$ 6,195,529
Investments	12,003,821	-	-	12,003,821
Prepaid expenses	500	-	-	500
Taxes receivable, net	1,794,090	-	-	1,794,090
Food service receivable, net	-	194,771	-	194,771
Other receivables	634,381	-	258,108	892,489
Due from other governments:				
State aid receivable	404,465	29,275	-	433,740
PELA allocation receivable	1,133,816	-	-	1,133,816
Reimbursements receivable	-	729,787	-	729,787
Due from other funds	49,129	-	-	49,129
Total assets	\$ 19,606,765	\$ 953,833	\$ 2,867,074	\$ 23,427,672
LIABILITIES AND FUND BALANCES				
Liabilities:				
Salaries payable and related payroll liabilities	\$ 6,617,358	\$ 134,219	\$ -	\$ 6,751,577
Workers' compensation payable	47,221	-	-	47,221
PELA premiums payable	2,209,400	-	-	2,209,400
Accounts payable	128,611	22,452	402,153	553,216
OPEB liability	895,537	-	-	895,537
Deferred revenue	2,011,762	608,576	-	2,620,338
Due to other funds	-	49,129	-	49,129
Total liabilities	11,909,889	814,376	402,153	13,126,418
Fund Balances:				
Reserved for:				
Encumbrances	1,192,110	214,871	3,164,742	4,571,723
Debt service	-	-	-	-
Special projects	-	-	-	-
Worker's compensation	-	-	-	-
Arbitrage payments	-	-	-	-
Excess levies	-	-	-	-
Capital projects	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated	6,504,766	(75,414)	(699,821)	5,729,531
Total fund balances	7,696,876	139,457	2,464,921	10,301,254
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,606,765	\$ 953,833	\$ 2,867,074	\$ 23,427,672
Total governmental fund balance				\$ 10,301,254
Amounts reported for governmental activities in the statement of net assets differ due to:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				59,836,480
Deferred charges are not reported in the funds				-
Property taxes, Medicaid reimbursement, E-Rate reimbursement, and the food service billings receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds				2,156,765
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				-
Accrued interest on bonds				-
Net pension obligation				(8,914,512)
Capital lease borrowings				(2,500,000)
Capital leases payable				85,458
Compensated absences				(290,044)
Net assets of governmental activities				<u>\$ 60,675,401</u>

See Notes to financial Statements

PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
June 30, 2009

	General Current Expense	Special Revenue Fund	Capital Projects Fund	Total Governmental
Revenues:				
Property taxes	\$ 31,873,277	\$ -	\$ -	\$ 31,873,277
Other Local sources	686,011	1,815,203	-	2,501,214
State sources	47,449,875	2,845,937	1,853,360	52,149,172
Federal sources	860,503	5,991,072	-	6,851,575
Miscellaneous sources	99,184	32,357	-	131,541
Total revenues	80,968,850	10,684,569	1,853,360	93,506,779
Expenditures:				
Instruction	48,942,003	4,931,636	-	53,873,639
Supporting services:				
Students	2,287,726	487,938	-	2,775,664
Instructional staff	2,168,087	653,151	-	2,821,238
Central administration	1,241,010	103,344	-	1,344,354
School administration	5,274,334	23,556	-	5,297,890
Business	1,809,565	-	-	1,809,565
Operation and maintenance of facilities	8,892,314	304,357	59,132	9,255,803
Student transportation	5,887,343	729,312	-	6,616,655
Food services	150,920	5,366,803	-	5,517,723
Community services	155,821	-	-	155,821
Capital outlay	224,913	25,123	2,613,946	2,863,982
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	77,034,036	12,625,220	2,673,078	92,332,334
Excess (deficiency) of revenues over expenditures	3,934,814	(1,940,651)	(819,718)	1,174,445
Other financing sources (uses):				
Transfers in	87,560	1,793,063	2,284,527	4,165,150
Transfers (out)	(3,262,620)	(87,560)	(814,970)	(4,165,150)
Total other financing sources (uses)	(3,175,060)	1,705,503	1,469,557	-
Net change in fund balances	759,754	(235,148)	649,839	1,174,445
Fund balances - beginning	7,468,877	374,605	1,815,082	9,658,564
Restatement of fund balance	(531,755)	-	-	(531,755)
Fund balances - beginning, as restated	6,937,122	374,605	1,815,082	9,126,809
Fund balances - ending	\$ 7,696,876	\$ 139,457	\$ 2,464,921	\$ 10,301,254

See Notes to Financial Statements

**PUTNAM COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30,2009**

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

Net change in fund balances - total governmental funds \$ 1,174,445

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	(1,565,309)
Capital outlays	6,333,191

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. (37,549)

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. 120,170

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	(193,614)
Accumulated depreciation of assets disposed	188,875

Compensated absences are reported as liabilities in the statement of net assets, but are only reported in government funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.

Accrued vacation payable	(20,010)
Capital lease payable	(2,500,000)

Increase in the estimated net pension obligation during the year. (144,633)

Change in net assets of governmental activities \$ 3,355,566

See Notes to Financial Statements

**PUTNAM COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
June 30,2009**

	Agency Funds School Activity Funds
ASSETS	
Cash and cash equivalents	\$ 1,206,603
Receivables	-
Total assets	\$ 1,206,603
 LIABILITIES	
Due to other funds	\$ 1,206,603
Total liabilities	\$ 1,206,603

See Notes to Financial Statements

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

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 Putnam County Board of Education (School Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school district and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement 14 establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the School Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable.

B. District-wide and fund financial statements:

The *district-wide financial statements* (the statement of net assets and the statement of activities) display information about the School Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

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.

PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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.

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: Regional education service agencies (RESA's) and multi-county vocational centers (MCVC's) for the purpose of providing high quality, cost effective educational programs and to provide vocational training, respectively, in which the county board of education serves as the fiscal agent; 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 *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 30/60 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.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances:

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2009 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 Board maintains one bank account for all funds. However, the financial statements reflect cash balances in the individual funds as if these are individual bank accounts for each fund.

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, 2009 consisted of the following:

	Carrying Amount	Estimated	Bank
	Balance	Fair Value	
State Investment Pool	\$ 3,821	\$ 3,821	\$ 3,821
Certificates of deposit	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total investments	<u>\$ 12,003,821</u>	<u>\$ 12,003,821</u>	<u>\$ 12,003,821</u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

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.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by \$509,025 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

<u>Year</u>	<u>Accounts Receivable</u>	<u>Uncollectible Accounts</u>	<u>Net Receivable</u>
Prior to FY05	\$37,082.83	\$37,082.83	\$0
FY05	52,037.80	52,037.80	0
FY06	123,884.64	123,884.64	0
FY07	95,175.60	95,175.60	0
FY08	105,425.46	105,425.46	0
<u>FY09</u>	<u>290,188.51</u>	<u>95,418.68</u>	<u>194,769.83</u>
Total	<u>\$703,794.84</u>	<u>\$509,025.01</u>	<u>\$194,769.83</u>

G. Interfund receivables and payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Inventories:

The Board considers inventories of materials and supplies expended at the time of purchase; therefore, they do not appear in the Board's financial statements.

I. 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.

J. 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

**PUTNAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009**

recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	80
Site Improvements	20 – 35
Furniture and Equipment	5 – 20
Vehicles	8 – 12

K. Compensated Absence:

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick benefits can be accumulated up to thirty (30) and unlimited days, respectively, and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred. In lieu of a cash payment at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

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. Restricted Net Assets:

For the district-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

N. 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, 2009.

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.

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.

R. Recent Accounting Statements:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the Board beginning with its year ending June 30, 2010. This statement provides guidance regarding whether and when intangible assets should be considered capital assets for financial reporting purposes. The Board has not yet determined the effect that the adoption of this GASB Statement may have on the financial statements.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the Board beginning with its year ending June 30, 2010. This statement addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by the State or local government. The Board has not yet determined the effect that the adoption of this GASB Statement may have on the financial statements.

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

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

1. Pursuant to State statute, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.
2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

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

B. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2009, 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.

General Current Expense Fund:

	<u>Function</u>	<u>Amount</u>
Supporting Services:		
	Students	\$ 138,653
	Instructional Staff	121,894
	School Administration	206,866
	Business	325
	Student Transportation	52,487
Food Service		150,920

The above overdrafts are caused entirely by the journal entries to book the OPEB Liability for fiscal years FY08 and FY09.

Special Revenue Fund:

<u>Function</u>	<u>Amount</u>
Food Service	\$7,094

The above overdraft is caused entirely by the journal entry to book the expenditures of Federal Food Service Commodities received at USDA values.

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C. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2009:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund	\$235,148

Funds sufficient to provide for the excess expenditures were made available from other sources within each fund and the deficiency had no impact on the financial results of the Funds.

Note 3 – Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 16 – For the fiscal year ended June 30, 2008, the Board included in compensated absences an estimate amount for accrued personal leave using the guidance provided in GASB Statement 16. The liability associated with accrued personal leave has been included as a part of other post employment benefits when the Board implemented GASB 45 reporting requirements for the fiscal year ended June 30, 2009.

GASB 45 – The Board implemented GASB Statement 45 reporting requirements *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2009. In addition to pensions, many state and local governmental employers provide *other postemployment benefits* (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

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

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

Also in the prior year, the Board was billed for other postemployment benefits that were not paid. This current liability was not reported in the prior year because GASB 45 implementation was not required for the Board until fiscal year ending June 30, 2009. An adjustment was made to beginning fund balance and beginning net assets to add that balance to the figures previously reported.

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Restatement of Net Assets:

Net Assets – July 1, 2008, as previously reported	\$ 51,036,696
Add: Long-term obligations – sick leave payable	6,814,894
Less: Current liability – other postemployment benefits payable attributable to fiscal year 2008	<u>(539,072)</u>
Net Assets – July 1, 2008, adjusted due to adoption of accounting policy	\$ <u>57,312,518</u>

Restatement of Fund Balance:

Fund Balance – July 1, 2008, as previously reported	\$ 7,468,877
Less: Current liability – other postemployment benefits payable attributable to fiscal year 2008	<u>(539,072)</u>
Fund Balance – July 1, 2008, adjusted due to adoption of accounting policy	\$ <u>6,937,122</u>

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.

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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 could begin to offer coverage to private-sector employers beginning July 1, 2008 and to government employers July 1, 2012. Nearly every employer in the State, including all boards of education, who have a payroll must have coverage. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Note 5 - Property Taxes:

All property in the State is classified as follows for ad valorem tax purposes:

Class I - All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.

Class II - All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.

Class III - All real and personal property situated outside of municipalities, exclusive of Class I and II property.

Class IV - All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code §11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I - 22.95¢ per \$100 of assessed valuation; Class II - 45.90¢ per \$100 of assessed valuation; Class III - 91.80¢ per \$100 of assessed valuation; and Class IV - 91.80¢ per \$100 of assessed valuation.

Pursuant to West Virginia Code §11-8-6f, however, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessors Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

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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, 2009 were:

	<u>Class of Property</u>	<u>Assessed Valuations For Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>
Class I	\$	0	19.40¢	22.95¢
Class II	\$	1,219,724,517	38.80¢	45.90¢
Class III	\$	1,144,441,489	77.60¢	91.80¢
Class IV	\$	153,748,022	77.60¢	91.80¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

Note 6 - Excess Levy:

The Board had an excess levy in effect during the fiscal year ended June 30, 2009. The levy was authorized by the voters of the county at an election held on October 22, 2005 for the fiscal years ended June 30, 2007 through June 30, 2011 to provide funds for the following purposes:

- a) To provide for new buildings, building additions, renovations and repairs to existing buildings, and equipping buildings, approximately \$1,100,000.
- b) To provide toward employee salaries/benefits:
 - 1) Local county salary supplements, substitute costs, and fixed charges, approximately \$8,091,826.
 - 2) Extended employment for summer maintenance, approximately \$85,000.
 - 3) Overtime wages, approximately \$50,000.
 - 4) Extra duty bus wages for academic and athletic trips, approximately \$55,000.
 - 5) Extra duty salary supplements:
 - Curricular positions, approximately \$277,000.
 - Athletic positions, approximately \$348,000.
 - 6) Dental and optical insurance, approximately \$740,000.
- c) To provide support to the public library, approximately \$120,000. To provide support to the Putnam County 4-H, approximately \$31,600.
- d) To provide for the purchase of instructional equipment/furniture, teaching supplies, textbooks, and library books, approximately \$1,200,000.
- e) To provide for allowances to retired employees, approximately \$465,000.

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Limitation: For each fiscal year beginning on and after July 1, 2006, the Board of Education of the County of Putnam shall reduce the levy rate proportionately for all classes of property when increased assessed valuations, excluding appraisal or valuation due to new construction or improvements to existing real property, including beginning recovery of natural resources and newly acquired personal property, would cause an increase of more than four percent (4%) in the total projected property tax revenues from the previous year's projected property tax revenues. In such event the levy rate shall be reduced so as to cause such rate to produce no more than one hundred four percent (104%) from all classes of property, excluding appraisal or valuation from new construction or improvements to existing real property, including beginning recovery of natural resources and newly acquired personal property, of the previous year's projected property tax revenues from all property.

The Board of Education of the County of Putnam is hereby authorized and empowered to expend, during the term of this levy, the surplus if any, accruing in excess of the amounts needed for any of the above stated purposes, or for the enrichment, supplementation and improvement of educational services and/or facilities in the public schools of the County of Putnam.

Limitation: Provided, however, that subject the expenditure of such surplus funds for purposes associated with legal and contractual obligations, surplus funds (in the amount representing the difference in the maximum levy rate allowed by law and a 95% levy rate) shall be dedicated to new buildings, building additions, renovations and repairs to existing buildings, and equipping buildings.

A total of \$17,790,697 was received by the Board from the excess levy during the fiscal year ended June 30, 2009.

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Note 7 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2009, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	\$ 3,260,196	\$ 2,500,000	\$ -	\$ 5,760,196
Construction in process	8,359,875	2,594,751	(10,192,849)	761,777
Total non-depreciable capital assets	<u>11,620,071</u>	<u>5,094,751</u>	<u>(10,192,849)</u>	<u>6,521,973</u>
Capital assets, depreciable:				
Buildings and improvements	51,837,861	9,825,500	-	61,663,361
Land improvements	3,410,838	119,571	-	3,530,409
Furniture and equipment	2,719,619	657,874	(169,614)	3,207,879
Vehicles	8,990,460	828,344	(24,000)	9,794,804
Total depreciable capital assets	<u>66,958,778</u>	<u>11,431,289</u>	<u>(193,614)</u>	<u>78,196,453</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,499,125)	(863,886)	-	(13,363,011)
Land Improvements	(2,951,992)	(70,742)	-	(3,022,734)
Furniture and equipment	(1,934,109)	(115,137)	164,875	(1,884,371)
Vehicles	(6,120,286)	(515,544)	24,000	(6,611,830)
Total accumulated depreciation	<u>(23,505,512)</u>	<u>(1,565,309)</u>	<u>188,875</u>	<u>(24,881,946)</u>
Total depreciable capital assets, net	<u>43,453,266</u>	<u>9,865,980</u>	<u>(4,739)</u>	<u>53,314,507</u>
Total capital assets, net	<u>\$ 55,073,337</u>	<u>\$ 14,960,731</u>	<u>\$ (10,197,588)</u>	<u>\$ 59,836,480</u>

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

Instruction	\$1,314,652
Supporting Services:	
Central administration	64,696
School administration	-
Operation and maintenance of facilities	-
Transportation	15,892
Food services	<u>170,069</u>
Total Depreciation expense - governmental activities	<u>\$1,565,309</u>

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Note 8 - Long-term debt:

Long-term liability activity for the year ended June 30, 2009 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated absences	270,034	20,010	-	290,044	290,044	-
Accrued sick leave	6,814,894	-	6,814,894	-	-	-
OPEB liability	-	895,537	-	895,537	-	895,537
Net pension obligation	8,769,879	144,633	-	8,914,512	513,410	8,401,102
Capital lease payable	34,712	2,500,000	120,170	2,414,542	210,994	2,203,548
Long-term liabilities	<u>\$ 15,889,519</u>	<u>\$ 3,560,180</u>	<u>\$ 6,935,064</u>	<u>\$ 12,514,635</u>	<u>\$ 1,014,448</u>	<u>\$ 11,500,187</u>

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.

The Board has entered into a capital lease-purchase agreement whereby land has been acquired adjacent to Hurricane High School (for the purchase price of \$2,500,000). The lease began on February 23, 2009 and expires on February 23, 2019. At the end of the contract period, the Board will have ownership of the land. By contract, the Board has the option of discontinuing the lease/purchase 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, 2009, are as follows:

<u>Year</u>	
2010	\$ 303,735
2011	303,735
2012	303,735
2013	303,735
2014	303,735
2015	303,735
2016	303,735
2017	303,735
2018	303,735
2019	<u>177,179</u>
Total minimum lease payments	2,910,794
Less: Amount representing interest	<u>496,252</u>
Present value of minimum lease payments	<u><u>\$2,414,542</u></u>

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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, 2009, the Board's total payroll for all employees was \$54,349,949 and the payroll was \$51,324,853 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.

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 2008 Actuarial Valuation Report of the Teachers' Retirement System, the plan's Unfunded Actuarial Accrued Liability (UAAL) was \$4.1 billion as of July 1, 2008.

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Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2009 and the two previous years were:

<u>Year ended June 30</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Required contributions	\$ 327,068,000	\$ 345,412,000	\$ 404,547,000
As a % of current year covered payroll	23.50 %	23.30 %	25.89 %

Total payments reflected in the Board's financial statements to the defined benefit plan for FY 2009 were:

Employees' contributions (6%)	\$	2,507,209
Employer's contributions (15% or 7.5%)		<u>4,538,797</u>
Total contributions	\$	<u>7,046,006</u>

Teachers' Defined Contribution Retirement System:

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

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the 2008-2009 fiscal year. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Vanguard Money Market Fund, Bond Fund of America, Franklin Income Fund, Fidelity Growth Opportunities, Washington Mutual Investors, Federated Max-Cap, and Valic Individually Allocated Fixed Annuity.

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

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June 30, 2008, this plan had approximately \$946.7 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great-West Retirement Services, 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 2009 were:

Employees' contributions (4.5%)	\$	429,218
Employer's contributions (7.5%)		715,361
 Total contributions	 \$	 <u><u>1,144,579</u></u>

Note 11. Post Employment Benefits Other Than Pension:

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

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coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards 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, 2009 was determined to be:

		Amount/ Total Policy Holder
Total Annual Required Contribution	\$ 338,166,000	\$ 4,658.58
Pay as you go – Retiree Subsidy	(143,448,760)	(1,976.15)
Appropriation:		
Excess Lottery Funds	(46,600,000)	(743.97)
State General Revenue Transfer	(30,730,000)	(490.60)
State Debt Reduction Fund (Table Games)	<u>(13,800,000)</u>	<u>(220.32)</u>
Remaining ARC	<u>\$103,587,240</u>	<u>\$ 1,227.54</u>
The following summarizes the Board's OPEB activity:		
Cumulative OPEB at beginning of year (per restatement)		539,072
Total OPEB expense for 2009		4,486,931
Less:		
State appropriation allocation for 2009		1,977,945
Pay as you go payments and other credits for 2009		<u>2,152,521</u>
Cumulative OPEB at year end		\$ <u>895,537</u>

**PUTNAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009**

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 - Employee Retirement Systems and Plans

In addition to participating in the State of West Virginia Teachers Retirement System, the Board also participates in a single employer public employee retirement system. All full-time board of education professional and service personnel hired before July 1, 1990 are eligible to participate in the defined benefit retirement plan. Unless otherwise indicated, the information in this Note is provided as of the latest actuarial valuation of July 1, 2009. Actuarial valuations are required to be performed on a biennial basis.

Membership of the plan is as follows:

Active Employees	339
Retirees/Disability Pensions Receiving Benefits	<u>496</u>
Total	835

The following is a summary of funding policies, contribution methods and benefit provisions.

Determination of Contribution Requirements	Actuarially determined
Employer	Monthly benefit is equal to \$3.50 for each year of service in Putnam County. This is currently approximately \$500,000 per year. There is no plan assets set aside to fund this liability.
Plan Members	No contributions
Period Required to Vest/ Eligibility for Distribution	Eligibility for benefits is as follows: <ol style="list-style-type: none"> 1) Employees with a minimum of five years of service in Putnam County who retire from Putnam County. 2) Employees with a minimum of twenty years of service in Putnam County who retire from another system or position. 3) Employees with a minimum of five years of service in Putnam County who become permanently disabled during service in the County.
Post-Retirement Benefit Increases	Increases will only occur upon Board action to increase the benefit.
Provisions for:	
Disability Benefits	Yes
Death Benefits	No – Payment shall continue through the month in which death occurs and will not continue thereafter to survivors.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

Annual Required Contributions and Significant Actuarial Assumptions

The actuarial assumptions and other information used to determine the annual required contributions (ARC) are as follows:

Valuation Date	7/1/2009
Actuarial Asset Valuation Method	Market Value, if any
Amortization	20 year
Actuarial Assumptions:	
Investment Rate of Return	5.25%
Projected Salary Increases	3.00% per year
Post Retirement Benefit Increases	None
Inflation	3.00%

Annual Pension Cost, Net Pension Obligation and Reserves

Current year annual pension costs for the plan are shown in the trend information provided below. The annual required contributions were not made. The net pension obligation is also listed below.

Reserves

There are no assets legally reserved for purposes other than the payment of plan members' benefits for either plan.

Annual Pension Cost and Net Pension Obligation (NPO)

The Board's annual pension cost and net pension obligation is as follows:

Annual required contribution	\$ 694,123
Interest on short-term	-
Adjustment to annual required contribution	<u>43,624</u>
Annual pension cost	737,747
Contributions made	<u>(593,114)</u>
Increase in net pension obligation	144,633
Net pension obligation at beginning of the year	<u>8,769,879</u>
Net pension obligation at the end of the year	<u>\$ 8,914,512</u>

Trend Information

<u>Fiscal Year</u>	<u>Net Pension Obligation</u>
2009	\$8,914,512
2008	\$8,769,879
2007	\$8,769,711
2006	\$8,698,831

**PUTNAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009**

Note 13 - Pending Litigation:

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

Note 14 - Restatement of Beginning Fund Balance:

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

	General Current <u>Expense Fund</u>
Fund Balance at June 30, 2008, as previously stated	\$ <u>7,468,877</u>
Total Adjustments (See Below)	<u>(531,755)</u>
Fund Balance at June 30, 2008, Restated	\$ <u><u>6,937,122</u></u>

The adjustments consisted of the following:

- The Board cancelled checks issued in prior years totaling \$7,317 (net).
- The amount to book the beginning balance of the OPEB liability is \$539,072 as disclosed in Note 3.

Note 15 - Commitments, Contingencies and Subsequent Events:

During the fiscal year ended June 30, 2009, some County Boards of Education began pursuing legal action against the State of West Virginia to seek legislative funding through the Public School Support Program to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability for other post-employment benefits payable related to state aid eligible employees and to pay any future amounts billed by PEIA for state aid eligible employees.

On July 1, 2008, the Board was awarded a grant in the amount of \$326,586 from the School Building Authority (SBA), which required a commitment of \$48,988 of local funds. Additionally, on July 1, 2009 the board was awarded a grant in the amount of \$165,689 from the School Building Authority (SBA), which required a commitment of \$29,239 of local funds. These grants and local funds are to finance School Safety Access Plans throughout the County.

On April 21, 2008, the Board was awarded a grant in the amount of \$2,447,228 from the School Building Authority (SBA) to finance renovations of the existing building and building additions at Scott Teays Elementary School. Also, the Board has committed \$1,100,599 of local funds to complete the project. The expected completion date is the fall of 2010.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

On December 8, 2008, the Board was awarded a grant in the amount of \$594,657 from the School Building Authority (SBA) to finance a four-classroom addition with restrooms at Hurricane Town Elementary School. Also, the Board has committed \$366,555 of local funds to complete the project. The approximate cost of this project is \$961,000. The expected completion date is December 2009.

On July 1, 2009, the Board was awarded a grant up to \$176,250 from the School Building Authority (SBA) to finance a roof for Buffalo Elementary School. Also, the Board has committed up to \$58,750 of local funds to complete the project.

On September 9, 2009, land was purchased for construction of a new Confidence Elementary School at a cost of \$330,000.

As of June 30, 2009, 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:

Roofing – Putnam Career & Technical Center	\$	355,597
Modular Classrooms – G.W. Elementary & Rock Branch		492,780

On August 29, 2009, voters of Putnam County approved the issuance of bonds in the principal amount of fifty-six million seven hundred fifty thousand dollars (\$56,750,000). On April 20, 2009, the School Building Authority (SBA) approved a school construction grant for Putnam in the amount of twenty-one million seven hundred forty-five thousand seven hundred thirty six dollars (\$21,745,736) contingent upon successful passage of the local bond issue. Proceeds of the bonds and the SBA Grant will be expended as follows:

Winfield Middle School -		21,745,736
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Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms, and faculty planning, to house approximately 650 students in grades 6-8.

Winfield Elementary School -		788,265
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Construct a new gymnasium, including storage, containing approximately 3,800 square feet.

Poca Middle/Elementary School -		21,587,255
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Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms, and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovations of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

Buffalo High School -	20,583,810
Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms, and faculty planning, to house approximately 400 students in grades 9-12.	
Confidence Elementary School -	8,825,470
Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms, and faculty planning, to house approximately 250 students in grades PK-5.	
Hurricane High Auxiliary Gymnasium -	1,542,840
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	
Winfield High Auxiliary Gymnasium -	1,542,840
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	
Poca High Auxiliary Gymnasium -	<u>1,879,520</u>
Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.	
Total Bond Proceeds and SBA Grant -	\$ <u>78,495,736</u>

Note 16 - Interfund Transfers

	<u>Fund 11</u>	<u>Fund 51</u>	<u>Fund 61</u>	<u>Total Funds</u>
Transfers In:				
Indirect Cost	\$ 87,559.76			\$ 87,559.76
Local Support of Capital Projects		\$2,284,527.00		2,284,527.00
Local Contribution to Food Service			\$1,793,063.07	1,793,063.07
Transfers Out:				
Local Support of Capital Projects	(1,469,557.00)	(814,970.00)		(2,284,527.00)
Local Support of Food Service	(1,793,063.07)			(1,793,063.07)
Indirect Cost	<u> </u>	<u> </u>	<u>(87,559.76)</u>	<u>(87,559.76)</u>
	<u>\$ (3,175,060.31)</u>	<u>\$ 1,469,557.00</u>	<u>\$ 1,705,503.31</u>	<u>\$ 0.00</u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009**

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.

**PUTNAM COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
June 30 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property taxes	\$ 31,021,204	\$ 31,660,213	\$ 31,873,277	\$ 213,064
Other Local sources	721,710	1,100,872	686,011	(414,861)
State sources	45,114,233	45,441,620	47,449,875	2,008,255
Federal sources	772,202	1,067,103	860,503	(206,600)
Miscellaneous sources	4,000	99,184	99,184	(0)
Total revenues	77,633,349	79,368,993	80,968,850	1,599,857
Expenditures:				
Instruction	48,212,881	49,245,304	48,942,003	303,301
Supporting services:				
Students	2,140,054	2,149,073	2,287,726	(138,653)
Instructional staff	1,949,360	2,046,193	2,168,087	(121,894)
Central administration	1,180,965	1,250,864	1,241,010	9,854
School administration	5,141,624	5,067,468	5,274,334	(206,866)
Business	1,797,401	1,809,240	1,809,565	(325)
Operation and maintenance of facilities	7,756,989	10,167,992	8,892,314	1,275,678
Student transportation	5,482,167	5,834,856	5,887,343	(52,487)
Food services	-	-	150,920	(150,920)
Community services	159,839	164,261	155,821	8,440
Capital outlay	35,002	230,913	224,913	6,000
Total expenditures	73,856,282	77,966,164	77,034,036	932,128
Excess (deficiency) of revenues over expenditures	3,777,067	1,402,828	3,934,814	2,531,986
Other financing sources (uses):				
Transfers in	-	145,492	87,560	(57,932)
Transfers (out)	(3,150,041)	(3,711,335)	(3,262,620)	448,715
Total other financing sources (uses)	(3,150,041)	(3,565,843)	(3,175,060)	390,783
Change in fund balances	627,026	(2,163,015)	759,754	2,922,769
Fund balances - beginning	(627,026)	2,163,015	6,937,122	4,774,107
Fund balances - ending	\$ -	\$ 0	\$ 7,696,876	\$ 7,696,876

**PUTNAM COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
June 30 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local sources	\$ 1,813,574	\$ 2,329,931	\$ 1,815,203	\$ (514,728)
State sources	1,957,760	3,069,415	2,845,937	(223,478)
Federal sources	5,399,580	6,449,745	5,991,072	(458,673)
Miscellaneous sources	-	44,303	32,357	(11,946)
Total revenues	9,170,914	11,893,393	10,684,569	(1,208,824)
Expenditures:				
Instruction	231,500	5,403,724	4,931,636	472,088
Supporting services:				
Students	-	496,146	487,938	8,208
Instructional staff	-	810,028	653,151	156,877
Central administration	-	135,001	103,344	31,657
School administration	-	23,556	23,556	0
Business	-	-	-	-
Operation and maintenance of facilities	-	314,851	304,357	10,494
Student transportation	773,023	837,488	729,312	108,176
Food services	5,101,701	5,359,709	5,366,803	(7,094)
Community services	-	-	-	-
Capital outlay	-	45,506	25,123	20,383
Total expenditures	6,106,224	13,426,010	12,625,220	800,790
Excess (deficiency) of revenues over expenditures	3,064,690	(1,532,617)	(1,940,651)	(408,034)
Other financing sources (uses):				
Transfers in	1,735,484	1,735,484	1,793,063	57,579
Transfers (out)	-	(95,281)	(87,560)	7,721
Total other financing sources (uses)	1,735,484	1,640,203	1,705,503	65,300
Change in fund balances	4,800,174	107,586	(235,148)	(342,734)
Fund balances - beginning	(4,800,174)	(107,586)	374,605	482,191
Fund balances - ending	\$ -	\$ (0)	\$ 139,457	\$ 139,457

**PUTNAM COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
June 30 2009**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
State sources	\$ -	\$ 4,661,511	\$ 1,853,360	\$ (2,808,151)
Total revenues	-	4,661,511	1,853,360	(2,808,151)
Expenditures:				
Capital outlay	1,414,557	7,820,209	2,613,946	5,206,263
Operation and Maintenance of Facilities	-	62,244	59,132	3,112
Total expenditures	1,414,557	7,882,453	2,673,078	5,209,375
Excess (deficiency) of revenues over expenditures	(1,414,557)	(3,220,942)	(819,718)	2,401,224
Other financing sources (uses):				
Transfers in	1,414,557	2,284,527	2,284,527	-
Transfers (out)	-	(814,970)	(814,970)	-
Total other financing sources (uses)	1,414,557	1,469,557	1,469,557	-
Change in fund balances	-	(1,751,385)	649,839	2,401,224
Fund balance - beginning	-	1,751,385	1,815,082	63,697
Fund balance - ending	\$ -	\$ 0	\$ 2,464,921	\$ 2,464,921

**PUTNAM COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
June 30 2009**

	Cash Balance 7/1/2008	Revenues Received	Expenditures Paid	Cash Balance 6/30/2009
High Schools:				
				-
Buffalo High School	\$ 105,263	\$ 138,132	\$ 138,167	105,228
Hurricane High School	175,986	474,347	541,611	108,722
Poca High School	65,047	227,477	213,834	78,690
Winfield High School	73,029	234,612	232,955	74,686
Putnam Career & Technical Center	154,735	281,561	309,850	126,445
Total high schools	574,060	1,356,130	1,436,418	493,772
Middle and Junior High Schools:				
George Washington Middle School	71,922	93,988	90,111	75,800
Hurricane Middle School	91,919	210,632	201,435	101,116
Poca Middle School	37,995	80,549	69,153	49,391
Winfield Middle School	98,405	186,516	194,909	90,012
Total middle and junior high schools	300,241	571,685	555,607	316,319
Elementary Schools:				
				-
Buffalo Elementary School	51,257	48,906	66,738	33,425
Confidence Elementary School	7,071	15,131	19,421	2,782
Conner Street Elementary School	19,201	75,514	67,363	27,352
Eastbrook Elementary School	24,372	29,852	35,562	18,662
George Washington Elementary School	18,297	43,549	42,299	19,547
Hometown Elementary School	25,584	14,888	16,288	24,185
Hurricane Town Elementary School	19,876	66,331	62,091	24,117
Lakeside Elementary School	18,246	29,284	23,925	23,606
Mountain View Elementary	-	89,640	73,121	16,519
Poca Elementary School	36,695	55,579	52,155	40,120
Rock Branch Elementary School	27,575	39,275	37,591	29,259
Scott Teays Elementary School	62,048	100,525	111,287	51,285
West Teays Elementary School	60,275	172,562	174,155	58,682
Winfield Elementary School	24,106	66,684	63,818	26,972
Total elementary schools	394,604	847,721	845,813	396,512
Total	\$ 1,268,905	\$ 2,775,536	\$ 2,837,838	\$ 1,206,603

**PUTNAM COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Total Federal <u>Expenditures</u>
U.S. Department of Agriculture			
Pass-through West Virginia Department of Education: Child Nutrition Cluster: Food Service Centralized	10.553/10.555/10.559	C300458	\$ 1,753,969
Pass-through West Virginia Department of Agriculture Food Distribution - Donated	10.555	N/A	<u>159,918</u>
Total U.S. Department of Agriculture			<u>1,913,887</u>
U.S. Department of Education			
Pass-through West Virginia Department of Education: Title II	84.367A	Note 4	396,962
Title I	84.010	Note 4	1,304,546
Title V	84.298A	C282075	1,470
Special Education Cluster (IDEA): IDEA Part B	84.027	Note 4	2,023,219
IDEA Part B – Preschool	84.173	C298671	34,889
Title III	84.365	Note 4	12,572
Safe and Drug Free Schools	84.186A	Note 4	36,975
Vocational Education	84.048A	Note 4	84,961
Enhancing Education Technology	84.318	C291420	<u>145,383</u>
Total Department of Education			<u>4,040,977</u>
U.S. Department of Health and Human Resources			
Pass-through West Virginia Department of Education: YRBS/YTB	93.293	C312186	<u>200</u>
Total Department of Health and Human Resources			<u>200</u>
Total Federal Awards			\$ <u>5,955,064</u>

**PUTNAM COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

1. Basis of Presentation

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

2. Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The Board received and disbursed \$159,918 in food commodities in the Donated Foods Program for the year ended June 30, 2009.

3. Child Nutrition Program

Child Nutrition Program [CFDA #10.553, #10.555 and #10.599] expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards had been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the three programs as funded from all sources was \$5,206,884.

4. Pass-Through Entity Identifying Numbers

The following programs had multiple pass-through entity identifying numbers:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>
Title II	84.367A	C282083, C309108
Title I	84.010	C260124, C301302 C278284
Safe and Drug Free Schools	84.186A	C259608, C282141 C302855
IDEA Part B	84.027	C280910, C301215 C277603, C303226 C289110, C298759 C296125, C303024 C305619, C312281 C314420
Title III	84.365	C262255, C304602 C285031
Vocational Education	84.048A	C275634, C299408

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CERTIFIED PUBLIC ACCOUNTANTS
WV SOCIETY OF CERTIFIED PUBLIC
ACCOUNTANTS**

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

Honorable Members of
Putnam County Board of Education
Winfield, West Virginia

We have audited the financial statements of Putnam County Board of Education, as of and for the year ended June 30, 2009, and have issued our report thereon dated January 15, 2010. 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 Putnam County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

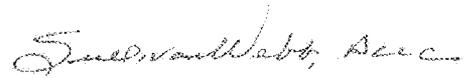
A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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



January 15, 2010

SULLIVANWEBB, PLLC

**CERTIFIED PUBLIC ACCOUNTANTS
422 KINETIC DRIVE - P.O. BOX 2745
HUNTINGTON, WEST VIRGINIA 25727-2745
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**BRUCE I. SULLIVAN, CPA
CHARLES D. WEBB, MBA, CPA**

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

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

Honorable Members of
Putnam County Board of Education
Winfield, West Virginia

Compliance

We have audited the compliance of Putnam County Board of Education, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Putnam County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Putnam County Board of Education's management. Our responsibility is to express an opinion on Putnam 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 Putnam County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Putnam County Board of Education's compliance with those requirements.

In our opinion, Putnam County Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

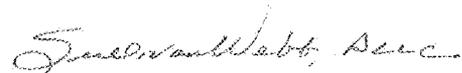
The management of Putnam County Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Putnam County Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Putnam County Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of Putnam County Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



January 15, 2010

**PUTNAM COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no findings for the year ended June 30, 2008.

**PUTNAM COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

A. SUMMARY OF AUDIT RESULTS

- 1) The auditor's report expresses an unqualified opinion on the financial statements of Putnam County Board of Education for the year ended June 30, 2009.
- 2) No significant deficiencies were noted during the audit of the financial statements of Putnam County Board of Education.
- 3) No instances of noncompliance material to the financial statements of Putnam County Board of Education were disclosed during the audit.
- 4) No matters involving the internal control over major programs of Putnam County Board of Education were disclosed that we consider to be significant deficiencies.
- 5) The auditor's report on compliance for major programs of Putnam County Board of Education expresses an unqualified opinion on all major federal programs.
- 6) No audit findings which were required to be reported under Section .510(a) of OMB Circular A-133 were noted.
- 7) The programs tested as major programs included:

<u>Program</u>	<u>CFDA #</u>
Major Federal Programs	
U.S. Department of Education	
Pass-through West Virginia	
Department of Education	
Title II	84.367A
Special Education Cluster (IDEA):	
IDEA Part B	84.027
IDEA Part B – Preschool	84.173
Enhancing Education Technology	84.318

- 8) The dollar threshold used to distinguish Type A Programs from Type B Programs of federal awards expended by Putnam County Board of Education for the year ended June 30, 2009 was \$300,000.
- 9) Putnam County Board of Education has qualified as a low-risk auditee under Section .530 of OMB Circular A-133 for the year ended June 30, 2009.
- 10) There were no audit findings for prior audit year ended June 30, 2008.

**PUTNAM COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

■ Noncompliance Finding

None

■ Reportable Conditions

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

■ Noncompliance Finding

None

■ Reportable Conditions

None

Proposed Form Opinion of Bond Counsel

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(GOODWIN & GOODWIN LETTERHEAD)

March __, 2010

The Board of Education of the County of Putnam
9 Courthouse Drive
Winfield, WV 25213

Re: \$56,750,000
The Board of Education of Putnam County (West Virginia),
Public School Bonds, Series 2010

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), of Putnam County School District, by and through The Board of Education of the County of Putnam (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated upon delivery and original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of \$5,000 or integral multiples thereof, and mature on May 1 in years and amounts and bear interest payable each May 1 and November 1, commencing November 1, 2010, as follows:

Year	Principal Amount	Interest Rate
2011	\$2,785,000	%
2012	3,080,000	
2013	3,170,000	
2014	3,265,000	
2015	3,365,000	
2016	3,465,000	
2017	3,570,000	
2018	3,695,000	
2019	3,845,000	
2020	3,995,000	
2021	4,155,000	
2022	4,325,000	
2023	4,495,000	
2024	4,675,000	
2025	4,865,000	

The Bonds were authorized at a special election held in Putnam County School District on August 29, 2009, and by a Resolution and Order adopted by the Issuer (the "Resolution") on February 15, 2010, and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction and equipping of various school projects, with all necessary appurtenances thereto, and for the renovation and rehabilitation of various public schools situated in Putnam County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

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

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

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

3. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds is not includable in gross income of the owners thereof for Federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations; it should be noted, however, that interest on the Bonds held by a corporation may be indirectly subject to alternative minimum tax because of its inclusion in the reported income or earnings and profits of such corporate holder. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution and the Tax Certificate of the Issuer. Failure to comply with such representations, covenants and certifications could cause the interest on the Bonds to be

includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

Respectfully submitted,

GOODWIN & GOODWIN, LLP

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Proposed Facilities

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Projects	Locations	Costs
<p>Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.</p>	<p>Current Winfield Middle School Property</p>	<p>SBA Grant Funds \$21,745,736</p>
<p>Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.</p>	<p>Current Winfield Elementary School Property</p>	<p>Bond Funds \$788,265</p>
<p>Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.</p>	<p>Current Poca Middle/Elementary School Property</p>	<p>Bond Funds \$21,587,255</p>
<p>Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.</p>	<p>Property currently owned by the Board of Education in the Town of Buffalo</p>	<p>Bond Funds \$20,583,810</p>
<p>Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.</p>	<p>Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.</p>	<p>Bond Funds \$ 8,825,470</p>
<p>Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	<p>Current Hurricane High School Property</p>	<p>Bond Funds \$ 1,542,840</p>
<p>Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.</p>	<p>Current Winfield High School Property</p>	<p>Bond Funds \$ 1,542,840</p>
<p>Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.</p>	<p>Current Poca High School Property</p>	<p>Bond Funds \$ 1,879,520</p>
<p>Total Bond Costs</p>		<p>\$56,750,000</p>

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Form of Continuing Disclosure Certificate

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\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2010

CONTINUING DISCLOSURE CERTIFICATE

The Board of Education of the County of Putnam, West Virginia (the “Issuer”) hereby certifies in connection with the \$56,750,000 aggregate principal amount of The Board of Education of the County of Putnam (West Virginia), Public School Bonds, Series 2010 (the “Bonds”). The Bonds are being issued pursuant to a Resolution and Order approved by the Issuer on February 15, 2010 (the “Resolution”). The Issuer covenants and agrees, as follows:

SECTION 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Issuer 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 Certificate unless otherwise defined in this Section, 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”)), provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, 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 Issuer'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 the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“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 Certificate.

“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, effective as of July 1, 2009.

“Repository” shall mean each National Repository and the State Repository.

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

“State” shall mean the State of West Virginia.

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

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer’s fiscal year (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2010, provide to each Repository Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Certificate. 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 Certificate. If the Issuer's fiscal year changes, the Issuer 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 Issuer shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Issuer shall send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Financial Information and Audited Financial Statements the name and address of each Repository; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Financial Information and Audited Financial Statements have been provided pursuant to this Certificate, stating the date it was provided and listing the Repositories to which it was provided.

(d) Effective on July 1, 2010 and thereafter, all documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic formant and shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. The Issuer's Annual Financial Information and Audited Financial Statements shall contain or include by reference the following:

(a) Within ninety (90) days after receipt by the Issuer of the Issuer's fiscal year ended June 30, 2010 fiscal year and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, unaudited general purpose financial statements of the Issuer, and

(b) Within two hundred seventy (270) days of the Issuer's fiscal year ended June 30, 2010, and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, such information and data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) actual data of the type found in the Official Statement under the caption "CERTAIN FINANCIAL INFORMATION – School District's Revenues and Expenses."

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 Issuer or related public entities, which have been submitted to each of the Repositories 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 Issuer 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 Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, except as provided by the Resolution;

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected the Bonds pursuant to the Resolution.

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

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

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

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

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

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

In the event of any amendment or waiver of a provision of this Certificate, the Issuer 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 Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate 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 Certificate. If the Issuer 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 Certificate, the Issuer shall have no obligation under this Certificate 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 Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: March __, 2010

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

By: _____
President

Exhibit A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Putnam
Name of Issue: \$56,750,000The Board of Education of the County of Putnam
(West Virginia), Public School Bonds, Series 2010
Date of Issuance: March __, 2010

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this ___ day of _____, 20__.

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

By: _____
President

March 8, 2010

Summary:

Putnam County Board Of Education, West Virginia; School State Program

Primary Credit Analyst:

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

Secondary Credit Analyst:

John Sugden-Castillo, New York (1) 212-438-1678; john_sugden@standardandpoors.com

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Rationale

Outlook

Related Research

Summary:

Putnam County Board Of Education, West Virginia; School State Program

Credit Profile

US\$56.75 mil pub sch bnds ser 2010 due 05/01/2025

Long Term Rating

AA/Stable

New

Rationale

Standard & Poor's Ratings Services assigned its 'AA' rating, and stable outlook, to Putnam County Board of Education, W.Va.'s series 2010 public school bonds.

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

Standing Appropriation Programs

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

West Virginia's Municipal Bond Program

As authorized by Chapter 13, Article 3 of the West Virginia Code, the state's bond commission serves as the bond trust agent, administering the 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

Summary: Putnam County Board Of Education, West Virginia; School State Program

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.

Putnam County Board of Education

Putnam County Board of Education is coterminous with Putnam County in western-central West Virginia. The 351-square-mile district served a population estimate of 55,000 in 2008. Student enrollment at its 13 elementary schools, four middle schools, and five high schools total 9,517 in fiscal 2010. Officials plan to use bond proceeds to finance various school capital projects districtwide.

Outlook

The stable outlook reflects the outlook on the state's GO bond rating.

Jesse Brady contributed to this report.

Related Research

USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008

Complete ratings information is available to RatingsDirect on the Global Credit Portal subscribers at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.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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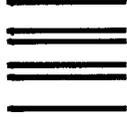
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• Sender: Please print your name, address, and ZIP+4 in this box •

William K. Brags, Jr.
Goodwin & Goodwin
P.O. Box 2107
Charleston, WV 25328 -2107

(Put Co. BoE)



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service Center
Ogden, UT 84201

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent
 Addressee

B. Received by (Printed name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

OGDEN, UT

3. Service Type

- Certified Mail
- Registered
- Insured Mail
- Express Mail
- Return Receipt for Merchandise
- C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number **7008 1830 0003 3807 9158**

(Transfer from service label) PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

LAW OFFICES

GOODWIN & GOODWIN, LLP

300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-678

P. O. Box 2107
CHARLESTON, WEST VIRGINIA 25328-2107

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(304) 372-2651

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

March 25, 2010

Via Certified Mail-Return Receipt

Requested No.7008 1830 0003 3807 9168

Internal Revenue Service Center
Ogden, UT 84201

Re: \$56,750,000
The Board of Education of the County of Putnam (West Virginia)
Public School Bonds, Series 2010

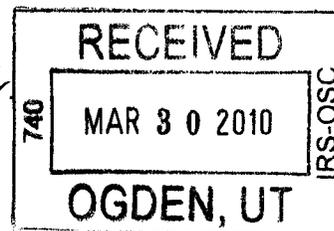
Gentlemen:

Enclosed is Form 8038-G filed on behalf of the Putnam County (West Virginia) Board of Education, Winfield, West Virginia, which provides the information required by Section 149(e) of the Internal Revenue Code of 1986, as amended. We have also enclosed a file copy to be returned to our office (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope.

Sincerely yours,

W. K. Bragg, Jr.

William K. Bragg, Jr.



WKB/aks
Enclosure

COPY

Form 8038-G (Rev. November 2000) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations Under Internal Revenue Code section 149(e) See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority. Issuer's name: The Board of Education of the County of Putnam, West Virginia. Issuer's employer identification number: 55-6000387. Report number: 3-2010-1. Date of issue: 03/24/2010. CUSIP number: 746690. Officer: William K. Bragg, Jr., Bond Counsel. Telephone: 304-346-7000.

Part II Type of Issue. Education checked. Issue price: 60,219,054. Includes a 'RECEIVED' stamp dated MAR 30 2010 from IRS-OSC, OGDEN, UT.

Part III Description of Obligations. Table with columns: (a) Final maturity date, (b) Issue price, (c) Stated redemption price at maturity, (d) Weighted average maturity, (e) Yield. Row 21: 05/01/2025, \$60,219,054, \$56,750,000, 8.7378 years, 3.0333%.

Part IV Uses of Proceeds of Bond Issue. Table with columns: Description, Amount. Row 23: Issue price of entire issue, 60,219,054. Row 24: Proceeds used for bond issuance costs, 475,999. Row 29: Total, 475,999. Row 30: Nonrefunding proceeds, 59,743,055.

Part V Description of Refunded Bonds. 31 Enter the remaining weighted average maturity of the bonds to be currently refunded. 32 Enter the remaining weighted average maturity of the bonds to be advance refunded. 33 Enter the last date on which the refunded bonds will be called. 34 Enter the date(s) the refunded bonds were issued.

Part VI Miscellaneous. 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5). 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract. 37 Pooled financings. 38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box. 39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box. 40 If the issuer has identified a hedge, check box.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here. Signature of issuer's authorized representative: Dr. Craig Spicer, President. Date: 3-23-10.



CHARLESTON NEWSPAPERS

P.O. Box 2993
 Charleston, West Virginia 25330
 Billing 348-4898
 Classified 348-4848
 1-800-WVA-NEWS
 FEIN 55-0676079

INVOICE DATE	08/27/09
ACCOUNT NBR	087242002
SALES REP ID	0060
INVOICE NBR	606782001

Legal pricing is based upon 63 words per column inch.

Each successive insertion is discounted by 25% of the first insertion rate.

The Daily Mail rate is \$.13 per word, the Charleston Gazette rate is \$.14 per word, and the Metro Putnam rate is \$.13 per word.

ISSUE DATE	AD TYPE	PUB	DESCRIPTION		AD NUMBER	AD SIZE	RATE	GROSS AMOUNT	NET AMOUNT
			REFERENCE NBR	PURCHASE ORDER #		TOTAL RUN			
08/19	LEGF	MP			0397222	8X1650			
			606782001			132.00	8.19	1081.08	1081.08
08/26	LEGF	MP				8X1650			
			606782002			132.00	8.19	1081.08	
			RATE CORRECTION					270.27-	810.81
			TOTAL INVOICE AMOUNT						1891.89

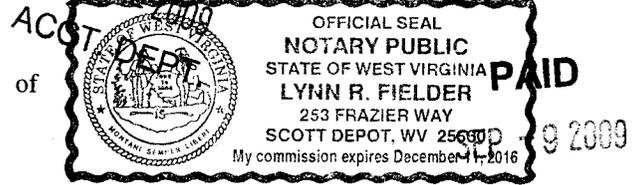
RECEIVED



State of West Virginia,

AFFIDAVIT OF PUBLICATION

I, Andrea Legg



METRO PUTNAM,

do solemnly swear that the legal notice of:

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:

Subscribed and sworn to before me this 28 day of August

08/19/09-08/26/09

Lynn R. Fielder
 Notary Public of Kanawha County, West Virginia

The Putnam & Cabell Standard

P.O. Box 186
Culloden, WV 25510

Invoice

Date	Invoice #
8/25/2009	2002

Bill To
Putnam County Clerk 3389 Winfield Road Winfield WV 25213

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	Due on receipt	Legal	8/25/2009			

Date Run	Item Code	Description	Price Each	Category	Amount
8-18-09	Legal	Board of Education Bond order; 55.25" x 146.20(4-col) = 8077.55 wds x .115 ea	928.92	PS	928.92
8-25-09	Legal	75% of 1st run	696.69	PS	696.69

PAID
SEP - 9 2009



RECEIVED
SEP - 2 2009
ACCT. DEPT.

*m2 Jewell
School Bond Election*

Total					\$1,625.61
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THE PUTNAM STANDARD

A CITIZEN NEWSPAPER

AFFIDAVIT OF PUBLICATION

Cost of Publication 1625.61

State of West Virginia, County of Putnam, to wit:

I, Jack Bailey, being first sworn upon my oath, do depose and say that I am Publisher of the newspaper entitled THE PUTNAM STANDARD, a Democratic newspaper; that I have been duly authorized to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly on Tuesday, for at least fifty weeks during the calendar year, in WINFIELD, PUTNAM County West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed notice of

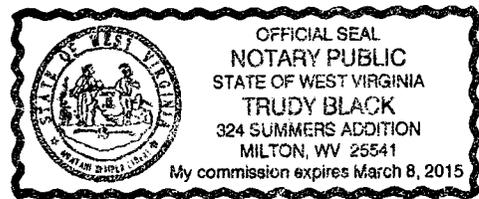
Board of Education
School Bond

Was duly published in said newspaper once a week for 2 (successive) week(s), commencing with the issue of the 18th day of Aug, 20 09, and ending with issue of the 25th day of Aug, 20 09, (and was posted, if required, at the _____ on the _____ day of _____, 20 _____).

/s/ Jack Bailey
Jack Bailey, Publisher
THE PUTNAM STANDARD

Taken, subscribed and sworn to before me in my said county this 25th day of Aug, 20 09.

My commission expires March 8, 2015
Trudy Black



NOTICE OF BOND ELECTION
TO THE VOTERS OF
PUTNAM COUNTY BOARD OF EDUCATION SCHOOL DISTRICT, STATE OF WEST VIRGINIA

Take notice that the following order was made and entered of record at a regular meeting of the Board of Education of the County of Putnam, a statutory corporation, functioning pursuant to the laws of the State of West Virginia, held on the 8th day of June, 2009, a quorum being present and acting throughout said meeting:

AN ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM DIRECTING AN ELECTION TO BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF PUTNAM COUNTY SCHOOL DISTRICT ALL QUESTIONS CONCERNING THE CONTRACTING OF A DEBT AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF FIFTY-SIX MILLION SEVEN HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$56,750,000.00)

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

- There are now and have been for several years in the School District serious deficiencies in its physical plants that generally result in a lack of efficiency, lack of adequate health and safety standards, lack of adequate facilities to prepare students properly for general employment and further education, and an overall impairment of the educational process within the School District. To meet these inadequacies, there is a need to enlarge, equip, extend, furnish, improve, construct, and renovate certain school facilities in all grade and age levels, as soon as possible, in the manner hereinafter stated, and to achieve these stated goals.
- The funds derived from current levies which this Board is now authorized by law to lay, after providing for administration of the affairs of the Board and meeting the current expenses thereof required by law, are insufficient to finance the projects required by a comprehensive building program and, therefore, Bonds should be issued to provide funds for such projects.
- To obtain the necessary funds for the projects hereinafter described, it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, improvement, equipping and furnishing of such projects. Studies by the Board show that the School District must spend of least the sum of Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred and Thirty-six and 00/100 Dollars (\$78,495,736.00) for such purposes, which would come from the proceeds of the sale of the Bonds and other sources, all for the general purpose of providing adequate, safe and convenient educational facilities for the School District.
- The valuation of the taxable property in the School District, as shown by the last assessment thereof for State and County taxation purposes, is \$2,650,501,195, and valuation of each class of property within the School District is as follows:

Class I	\$	0
Class II	1,222,149,755	
Class III	1,222,271,569	
Class IV	165,680,161	
Total	\$2,650,501,495	

- The Board and the School District do not have any outstanding bonded indebtedness. The only indebtedness of the School District is for current expenses and can be paid from current levy taxes. The maximum bonded indebtedness the Board may incur is five percent (5%) of the total amount shown above or \$132,529,875. Accordingly, Bonds in the amount of \$56,750,000.00, not in excess of that five percent (5%) of the value of such taxable property as ascertained by the last assessment thereof for State and County taxes, may be issued and sold without violating any constitutional or statutory provision.
- Bonds in the denomination of \$5,000 each, or integral multiples thereof, aggregating \$56,750,000.00, should be issued and sold, the proceeds of which shall be used for the projects hereinafter described; provided, however, that in the event that any part of the Bond proceeds should not be needed for completion of the projects, such unneeded part shall be deposited with the Municipal Bond Commission of West Virginia to be used solely for the purchase of any Bonds of this issue outstanding at no more than the par value thereof plus accrued interest to date of purchase or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified, and, provided, further, the Board shall have the authority to pay matured interest on the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the Bond proceeds expended for this purpose shall be reimbursed from levy money collected.
- The question of incurring said debt, issuing said Bonds, and all other questions properly connected therewith shall be submitted to the voters of the School District at a special election to be held on the 29th day of August, 2009, and the commissioners and clerks for holding said election, at each of the legally established voting precincts in Putnam County, shall be those commissioners and clerks designated, appointed and certified by The County Commission of Putnam County, West Virginia in connection with said election.
- The Bonds shall bear interest at a rate or rates not exceeding the rate of six and 75/100 percent (6.75%) per annum, payable semiannually, but if it happens that the Bonds will provide a lower interest rate (which might result in a maximum term of fifteen (15) years and six (6) months from their date of issuance).
- The Bonds shall be issued only in book entry or registered form as to principal and interest in compliance with the United States Internal Revenue Code Sections 103 and 149 (26 USC Section 103 and Section 149), as amended, and in accordance with the West Virginia Public Obligations Registration Act, Article 2F, Chapter 13 of the Code of West Virginia of 1931, as amended (the "Code").
- The projects for which the proceeds of the Bonds, if authorized by the voters to be expended, are as follows:

Projects	Locations	Costs
Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 5-8.	Current Winfield Middle School Property	SBA Grant \$21,745,736
Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.	Current Winfield Elementary School Property	Bond Funds \$788,265
Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 5-8, renovations of all of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.	Current Poca Middle/Elementary School Property	Bond Funds 21,367,255
Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.	Property currently owned by the Board of Education in the Town of Buffalo	Bond Funds \$20,383,810
Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.	Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.	Bond Funds \$ 8,625,470
Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Hurricane High School Property	Bond Funds \$ 1,542,840
Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Winfield High School Property	Bond Funds \$ 1,542,840
Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.	Current Poca High School Property	Bond Funds \$ 1,679,520
Total Bond Costs		\$56,750,000

The above amounts consist of an aggregate of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000.00) of bond proceeds. In addition, the Board has obtained grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Twenty-one Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$21,745,736.00), to be received in two (2) installments, being Eleven Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$11,745,736.00) in fiscal year 2010 and Ten Million and 00/100 Dollars (\$10,000,000.00) in fiscal year 2011. The total amounts to be expended by the Board from all sources will be Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00).

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

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

Upon Class I Property approximately	16.00 cents
Upon Class II Property approximately	16.70 cents
Upon Class III Property approximately	33.40 cents
Upon Class IV Property approximately	33.40 cents

12. In the laying of said levy, the assessment levy authorized to be laid by said Board by the Constitution of West Virginia and the statutes enacted pursuant thereto shall not be exceeded; provided, however, that said rates hereinabove set forth shall, whenever necessary, be exceeded in making the annual levy for interest and principal of said Bonds within statutory and/or constitutional limitations.

13. If the debt represented by this Bond issue shall be approved by the voters, such Bonds, together with any other bonded indebtedness incurred under Section 1, Article X, of the Constitution, will not exceed in the aggregate five percent (5%) of the taxable property in the School District ascertained in accordance with Sections 8 and 10, Article X, of the Constitution of this State and will be payable from a general tax levied and collected in each year on all taxable property in said School District, subject to the interest and principal of said Bonds in each year, which maximum rates are provided for tax levies for school districts on the several classes of property in Section 1, Article X, of the Constitution, but in the same proportions as such maximum rates are levied outside the limits fixed by Section 1, Article X, of the Constitution.

14. If the debt and Bonds submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment", and the enabling legislation enacted by the Legislature of West Virginia Regular Session, 1957, amending and reenacting Section 4 and adding Section 34, Article 1, Chapter 13 of the Code, levies hereinafter provided will not violate any constitutional or statutory provisions of this State establishing maximum levy, said levies hereinafter provided shall be levied and allocated each year for the purposes of establishing interest and principal of the Bonds to be authorized, and for such purposes shall be laid separate and apart from all other levies made for all other purposes of the School District, and the Board does further find that after laying and allocating said special levies for payment of principal and interest requirements of said Bonds, there will be, out of the levies authorized and levied upon for said purposes, a sufficient levy authorized by law which, when added to other income, will be sufficient to carry out the proper requisite functions of said Board and of said School District.

BE IT FURTHER ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM AS FOLLOWS:

After careful study and due deliberation, the Board finds that available funds are insufficient for the payment of general current expenses and for correcting deficiencies in school building facilities. Wherefore, the Board orders the submission to the voters of Putnam County, at a special election to be held on Saturday, August 29, 2009, the question of whether the Board should incur debt and issue Bonds in the sum of \$56,750,000.00 for the purposes set forth in this order.

1. The schedule of commissioners, clerks and poll workers which are designated, appointed and certified for the purpose of a special, primary or general election shall be the same commissioners, clerks and poll workers which are designated, appointed and certified by The County Commission of Putnam County, West Virginia, in connection with the special election to be held on Saturday, August 29, 2009. Such commissioners, clerks and poll workers shall be identified in an Amended Order to be approved by the Board when their names become available.

2. Notice of this question shall be given by publication of this order at least once each week for two (2) successive weeks before, which is newspapers of general circulation in the School District.

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

OFFICIAL BALLOT
PUTNAM COUNTY BOARD OF EDUCATION
SCHOOL BOND ELECTION
SATURDAY, AUGUST 29, 2009

"Shall the Board of Education of the County of Putnam incur debt and issue bonds in the amount of \$56,750,000.00, not in excess of that five percent (5%) of the value of such taxable property as ascertained by the last assessment thereof for State and County taxes, may be issued and sold without violating any constitutional or statutory provision, for the general purpose of providing adequate, safe and convenient facilities for the Putnam County School District."

Projects	Locations	Costs
Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 5-8.	Current Winfield Middle School Property	SBA Grant \$21,745,736
Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.	Current Winfield Elementary School Property	Bond Funds \$788,265
Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 5-8, renovations of all of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.	Current Poca Middle/Elementary School Property	Bond Funds 21,367,255
Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.	Property currently owned by the Board of Education in the Town of Buffalo	Bond Funds \$20,383,810
Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.	Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School	Bond Funds \$ 8,625,470
Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Hurricane High School Property	Bond Funds \$ 1,542,840
Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Winfield High School Property	Bond Funds \$ 1,542,840
Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.	Current Poca High School Property	Bond Funds \$ 1,679,520
Total Bond Costs		\$56,750,000

The above amounts consist of an aggregate of Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000.00) of bond proceeds. In addition, the Board has obtained grant funding from the School Building Authority of West Virginia, the receipt of which is contingent upon approval of the issuance of the Bonds, in the amount of Twenty-one Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$21,745,736.00), to be received in two (2) installments, being Eleven Million Seven Hundred Forty-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$11,745,736.00) in fiscal year 2010 and Ten Million and 00/100 Dollars (\$10,000,000.00) in fiscal year 2011. The total amounts to be expended by the Board from all sources will be Seventy-eight Million Four Hundred Ninety-five Thousand Seven Hundred Thirty-six and 00/100 Dollars (\$78,495,736.00).

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

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

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

INSTRUCTIONS TO VOTERS:

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

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

- FOR THE PROPOSITION
- AGAINST THE PROPOSITION

4. The Secretary of the Board with the assistance of the Clerk of the County Commission, which Clerk is hereby designated and appointed its agent for this election, are hereby authorized and directed to procure and furnish to the election commissioners of each voting precinct insofar as practicable, the ballots, poll books, tally sheets and other things necessary for conducting the election, as provided by Chapter 13, Article 1, Section 11 of the Code, and perform the same and necessary for the election, as provided by Chapter 13, Article 1, Section 11 of the Code, and in accordance with Chapter 13, Article 1, Section 13 of the Code.

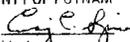
5. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the County Commission of the County of Putnam, and said Clerk is hereby appointed the agent for the Board to perform all duties relating to absentee ballots in a special, primary or general election.

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

Adopted on the 8th day of June, 2009.

ATTEST:

 Secretary

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM
 By: 
 President

Given under my hand this 8th day of June, 2009.


 Secretary of the Board of Education of the County of Putnam

THE PUTNAM STANDARD

A CITIZEN NEWSPAPER

AFFIDAVIT OF PUBLICATION

Cost of Publication 367.80

State of West Virginia, County of Putnam, to wit:

I, Jack Bailey, being first sworn upon my oath, do depose and say that I am Publisher of the newspaper entitled THE PUTNAM STANDARD, a Democratic newspaper; that I have been duly authorized to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly on Tuesday, for at least fifty weeks during the calendar year, in WINFIELD, PUTNAM County West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed notice of

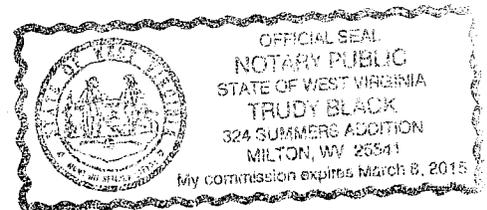
Attorney General's Approval

Was duly published in said newspaper once a week for 2 (successive) week(s), commencing with the issue of the 24th day of Nov, 20 09, and ending with issue of the 1st day of Dec 20 09, (and was posted, if required, at the _____ on the _____ day of _____, 20 _____).

/s/ Jack Bailey
Jack Bailey, Publisher
THE PUTNAM STANDARD

Taken, subscribed and sworn to before me in my said county this 1st day of Dec, 20 09.

My commission expires March 8, 2015
Trudy Black



ESTABLISHED 1900

COOKIE ALLEN
PUBLISHER

PHONE 304-562-9881

THE HURRICANE BREEZE
THE WEEKLY NEWSPAPER FOR ALL OF PUTNAM COUNTY
488 HURRICANE CREEK ROAD
P.O. BOX 310
HURRICANE, WEST VIRGINIA 25526

CERTIFICATE OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, To wit:

This day personally appeared before me, a Notary Public of said County of Putnam,.....Ron.Allen.....of The Hurricane Breeze, and after being duly sworn deposes and says that the attached legal publication was duly published in The Hurricane Breeze for.. Two..(2) consecutive issues, in its issues dated November 19 & 26, 2009..

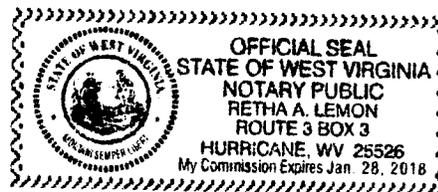
Ron Allen
.....

The Hurricane Breeze

Subscribed and sworn to before me this..27th....day
of..... November....., 2009...

Retha A. Lemon
.....

Notary Public



\$56,750,000

IN THE MATTER OF THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM,
STATE OF WEST VIRGINIA, PUBLIC SCHOOL BONDS,
SERIES 2010

ATTORNEY GENERAL'S APPROVAL

At the regular session of the Board of Education of the County of Putnam, State of West Virginia, held on the 8th day of Jun 2009, an Order was entered of record authorizing a vote to be taken by the legal voters of the County of Putnam at the primary election to be held on the 29th day of August, 2009, upon all questions connected with the incurring of debt and issuing bonds in the aggregate principal amount Fifty-six Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$56,750,000), and levying taxes to pay the interest on and the principal of said bonds, the proceeds from the sale of such bonds to be used for the following purposes:

Projects	Locations	Costs
Winfield Middle School Demolition of approximately 43,000 square feet of the existing facility, renovation of approximately 7,000 square feet of the existing facility and construction of approximately 83,000 square feet of a new facility, including classrooms, science labs, computer labs, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 650 students in grades 6-8.	Current Winfield Middle School Property	SBA Grant Funds \$21,745,736
Winfield Elementary School Construct a new gymnasium, including storage, containing approximately 3,800 square feet.	Current Winfield Elementary School Property	Bond Funds \$788,265
Poca Middle/Elementary School Demolition of the older portion of the existing middle school, construction of a new middle school containing approximately 66,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, restrooms and faculty planning, to house approximately 350 students in grades 6-8, renovations of the remaining portions of the existing middle school, and renovation of approximately 24,500 square feet and construction of a new four classroom addition to the existing elementary school, to house approximately 340 students in grades PK-5.	Current Poca Middle/Elementary School Property	Bond Funds \$21,587,255
Buffalo High School Construct a new high school containing approximately 88,000 square feet, including classrooms, science labs, computer lab, a library/media center, dining room, kitchen, a gymnasium with locker rooms, an auxiliary gymnasium, restrooms and faculty planning, to house approximately 400 students in grades 9-12.	Property currently owned by the Board of Education in the Town of Buffalo	Bond Funds \$20,583,810
Confidence Elementary School Construct a new elementary school containing approximately 38,000 square feet, including classrooms, computer lab, a library/media center, dining room, kitchen, a gymnasium, restrooms and faculty planning, to house approximately 250 students in grades PK-5.	Property to be acquired by Board of Education within 5 miles of the existing Confidence Elementary School.	Bond Funds \$ 8,825,470
Hurricane High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Hurricane High School Property	Bond Funds \$ 1,542,840
Winfield High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats.	Current Winfield High School Property	Bond Funds \$ 1,542,840
Poca High Auxiliary Gymnasium Construct an auxiliary gymnasium including a 50' x 84' playing court and approximately 200 bleacher seats and relocation of tennis courts.	Current Poca High School Property	Bond Funds \$ 1,879,520
Total Bond Costs		\$56,750,000

The Board of Education of the County of Putnam, pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931, as amended, has caused to be transmitted to me duly certified copies of all the orders, ordinances, proclamations, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such Bond Issue, and I have examined the same it appears from the records so transmitted to me that on the proposition of incurring debt and issuing bonds, as provided in said order, five thousand one hundred sixty-nine (5,169) votes were cast for and four thousand forty-seven (4,047) votes were cast against the issuance of said bonds, so that fifty-six and 09/100 percent (56.09%) of the voters in said election voted in favor of incurring debt and issuing bonds as provided in said order.

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

/s/ Darrell V. McGraw, Jr.
ATTORNEY GENERAL OF WEST VIRGINIA

Charleston, West Virginia
November 13, 2009



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
CHARLESTON 25305

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

(304) 558-2021
FAX (304) 558-0140

December 11, 2009

The Honorable Rory L. Perry, Clerk
West Virginia Supreme Court of Appeals
State Capitol, Room E-317
Charleston, West Virginia 25305

Re: Putnam County Board of Education
\$56,750,000 Public School Bonds, Series 2010

Dear Mr. Perry:

On November 13, 2009, as Attorney General of the State of West Virginia, I approved the above-referenced bond issue as provided for by West Virginia Code § 13-1-25. As evidenced by the enclosed copy of the Affidavit of Publication, notice of my approval was published in *The Hurricane Breeze* and *The Putnam Standard*, as required by law, with the last publication date being December 1, 2009.

Please advise me as to whether any person or taxpayer within ten days from and after the date of the last publication of the above-referenced notices presented any petition to the Supreme Court of Appeals or to a Judge thereof in vacation, praying that the action of the Attorney General be reversed or modified as provided in West Virginia Code § 13-1-26.

Very truly yours,

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

By: 
DAWN E. WARFIELD
DEPUTY ATTORNEY GENERAL

DEW/tl
Enclosure



OFFICE OF THE CLERK

CLERK OF COURT
RORY L. PERRY II
DEPUTY CLERK
EDYTHE NASH

STATE CAPITOL, ROOM E-317
1900 KANAWHA BOULEVARD, EAST
CHARLESTON, WV 25305
PHONE: (304) 558-2601
FAX: (304) 558-3815
WEB: WWW.STATE.WV.US/WVSCA

December 15, 2009

Dawn E. Warfield, Esq.
Deputy Attorney General
Attorney General's Office
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305



**Re: *The Board of Education of the County of Putnam
\$56,750,000 Public School Bonds, Series 2010***

Dear Ms. Warfield:

As of this date, no person or taxpayer, within ten days from and after the date of last publication of notice of the above-referenced bond issue on November 13, 2009, presented a petition to the Supreme Court of Appeals, or to a judge thereof in vacation, praying that the action of the Attorney General, which approved the subject issue pursuant to West Virginia Code §13-1-25, be reversed or modified as provided in West Virginia Code §13-1-26.

If there are any other questions regarding this matter, please give me a call.

Sincerely,

Rory L. Perry II
Clerk

RLP/llg



1 State Street, 26th Floor
New York NY 10004

Invoice	ADV0168471
Date	2/23/2010
Page	1
Customer ID	00006815

Please Remit To:

Source Media Inc.
P.O. Box 71633
Chicago IL 60694-1633

Bill To:

PUTNAM COUNTY BOARD OF EDUCATION
Attn: WILLIAM DUNCAN
9 COURTHOUSE DRIVE
WINFIELD WV 25213

Ship To:

PUTNAM COUNTY BOARD OF EDUCATION
Attn: WILLIAM DUNCAN
9 COURTHOUSE DRIVE
WINFIELD WV 25213

Customer PO:

Media	Item Description	Ad Size	Price
Bond Buyer	Legal Ad	Inches - Black & White	\$1,677.00
Section: Notice of Sale	Issue/Start Date: 02/23/10	Discount	\$0.00
Position:	End Date: 02/23/10	Agency Comm %: 0.00 %	\$0.00
	Edition:		
\$56,750,000 The Board of Edu of the County of Putnam			Net Price: \$1,677.00
Bond Buyer	Legal Ad	Inches - Black & White	\$838.50
Section: Notice of Sale	Issue/Start Date: 03/02/10	Discount	\$0.00
Position:	End Date: 03/02/10	Agency Comm %: 0.00 %	\$0.00
	Edition:		
County of Putnam			Net Price: \$838.50

Total \$2,515.50

Payment Terms: **NET 30**

Amount Enclosed:

Invoice: **ADV0168471**
Cust PO:

- Check Enclosed
 Bill My Credit Card
 Visa MasterCard American Express Discover

Account Number _____
CVV2 _____ Expiration Date _____

CVV2 are the last digits printed over the signature space on the back of the cards. American Express cards show the 4-digit CVV2 printed above and to the right of the imprinted card number on the front of the card

Required for Credit Card Payment

Name on Card _____
Address _____
City State Zip _____
Phone _____

BILLING INFORMATION

Invoices Will reflect charges for a specific time period determined by your pay plan
 Statement Will reflect detailed current activity and a summary of outstanding charges
 Credit & Collections (800) 238-8422
 Email sm-collections@sourcemedia.com
 Tax ID 82-0573550
 Account **Source Media Inc.**
Harris Bank Chicago IL
 Account # 169741-6
 ABA 071000288

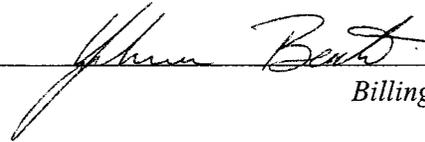
Please Remit To:

Source Media Inc.
P.O. Box 71633
Chicago IL 60694-1633

**Copy
Of
Advertisement**

City and County of New York, ss.: -

Yohanna Beato being duly sworn, says that she is the Billing Coordinator of the BOND BUYER, a daily newspaper printed and published at One State Street Plaza, in the City of New York, County of New York, State of New York; and the notice, of which the annexed is a printed copy, was regularly published in said BOND BUYER on February 23rd, and March 2nd 2010.



Billing Coordinator

Subscribed and sworn to before me this

February 23rd, 2010



CYNTHIA D. LEWIS
Notary Public, State of New York
No. 01LE6202298
Commission Expires **March 9, 2013**

Tuesday, March 2, 2010

www.bondbuyer.com

SUMMARY NOTICE OF SALE

\$56,750,000

**The Board of Education of the County of Putnam, West Virginia
Public School Bonds, Series 2010**

Electronic bids via PARITY® will be received by The Board of Education of the County of Putnam, West Virginia (the "Board"), in accordance with its Official Notice of Sale until 11:00 a.m., Local Time, on **Wednesday, March 10, 2010** (the "Date of Sale"), for the purchase, when issued, at not less than par, of the whole of the Bonds described above. No bids will be received after the time specified herein.

To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 357-6508 or PARITY® at (212) 849-5021. The Board reserves the right to change the Date of Sale and would give notice through Thompson Municipal Newswire, or other such service, of any changes.

The Bonds will be dated the date of their delivery and will mature on May 1 the years and in the amounts as follows:

<u>Maturing (May 1)</u>	<u>Principal Amount(\$)</u>	<u>Maturing (May 1)</u>	<u>Principal Amount(\$)</u>
2011	2,785,000	2019	3,845,000
2012	3,080,000	2020	3,995,000
2013	3,170,000	2021	4,155,000
2014	3,265,000	2022	4,325,000
2015	3,365,000	2023	4,495,000
2016	3,465,000	2024	4,675,000
2017	3,570,000	2025	4,865,000
2018	3,695,000		

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption. The Bonds will be general obligations of the Board and the full faith and credit of the Board will be pledged for payment of the principal and interest thereon. The approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, will be furnished to the successful bidder at the expense of the Board. The Bonds will be issued in book entry form only with The Depository Trust Company acting as securities depository.

A complete copy of the Official Notice of Sale and Official Bid Form is contained in the Preliminary Official Statement and may be obtained from the Board's Financial Advisor, Scott & Stringfellow LLC, 300 Summers Street, Suite 500, Charleston, West Virginia 25303, Telephone (304) 357-6508.

By Order of The Board of Education of Putnam County, West Virginia

February 15, 2010

THE PUTNAM STANDARD

A CITIZEN NEWSPAPER

AFFIDAVIT OF PUBLICATION

Cost of Publication 169.19

State of West Virginia, County of Putnam, to wit:

Map Subdivision" prepared by Roger K. Randolph, PLS #1346, said Map being made an integral part hereof, and declared to be controlling in its depiction, and has been recorded in Map Cabinet D, Slide 178.

are Federal Tax Liens against the property, the United States would have the right to redeem the property within a period of 120 days from the date of such sale or the period allowable for redemption under local law, whichever is longer.

NOTICE BEING THE same property conveyed unto James E. Thornton, III and Douglas Dent by deed dated the 4th day of January, 2005 from James E. Whittington, III and duly of record in the aforesaid Clerk's Office in deed Book 453 at page 700; the said Douglas Dent having conveyed all his rights, title and interest in and to said property unto James E. Whittington, III by deed dated the 22nd day of September, 2005 and duly of record in the aforesaid Clerk's Office in deed Book 459 at page 988.

TERMS OF SALE: A deposit of \$14,000.00 by certified check or cashier's check at sale made payable to Mancini & Associates, the balance in cash or by certified check at closing. Certified funds must be presented to Trustee for inspection at start of sale in order to be qualified to bid. Conveyance will be by Special Warranty Deed subject to all easements, covenants, rights-of-way, conditions and restrictions of record. The property is sold in "as is" condition. The beneficial owner of the Deed of Trust does not make any representations or warranties as to the physical condition of the property. Any and

I, Jack Bailey, being first sworn upon my oath, do depose and say that I am Publisher of the newspaper entitled THE PUTNAM STANDARD, a Democratic newspaper; that I have been duly authorized to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly on Tuesday, for at least fifty weeks during the calendar year, in WINFIELD, PUTNAM County West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed notice of

Summary Notice of Sale

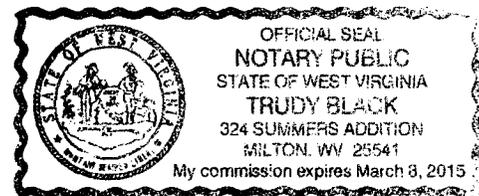
Was duly published in said newspaper once a week for 2 (successive) week(s), commencing with the issue of the 23rd day of Feb, 20 10, and ending with issue of the 2nd day of Mar, 20 10, (and was posted, if required, at the _____ on the _____ day of _____, 20 _____).

/s/ *Jack Bailey*
Jack Bailey, Publisher
THE PUTNAM STANDARD

Taken, subscribed and sworn to before me in my said county this 2ND day of March, 20 10.

My commission expires March 8, 2015

Trudy Black



THE PUTNAM STANDARD

A CITIZEN NEWSPAPER

AFFIDAVIT OF PUBLICATION

Cost of Publication 169.19

State of West Virginia, County of Putnam, to wit:

SUMMARY NOTICE OF SALE

\$56,750,000

**The Board of Education of the County of Putnam, West Virginia
Public School Bonds, Series 2010**

Electronic bids via PARITY® will be received by The Board of Education of the County of Putnam, West Virginia (the "Board"), in accordance with its Official Notice of Sale until 11:00 a.m., Local Time, on **Wednesday, March 10, 2010** (the "Date of Sale"), for the purchase, when issued, at not less than par, of the whole of the Bonds described above. No bids will be received after the time specified herein.

To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 357-6508 or PARITY® at (212) 849-5021. The Board reserves the right to change the Date of Sale and would give notice through Thompson Municipal Newswire, or other such service, of any changes.

The Bonds will be dated the date of their delivery and will mature on May 1 the years and in the amounts as follows:

Maturing (May 1)	Principal Amount(\$)	Maturing (May 1)	Principal Amount(\$)
2011	2,785,000	2019	3,845,000
2012	3,080,000	2020	3,995,000
2013	3,170,000	2021	4,155,000
2014	3,265,000	2022	4,325,000
2015	3,365,000	2023	4,495,000
2016	3,465,000	2024	4,675,000
2017	3,570,000	2025	4,865,000
2018	3,695,000		

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption. The Bonds will be general obligations of the Board and the full faith and credit of the Board will be pledged for payment of the principal and interest thereon. The approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, will be furnished to the successful bidder at the expense of the Board. The Bonds will be issued in book entry form only with The Depository Trust Company acting as securities depository.

A complete copy of the Official Notice of Sale and Official Bid Form is contained in the Preliminary Official Statement and may be obtained from the Board's Financial Advisor, Scott & Stringfellow LLC, 300 Summers Street, Suite 500, Charleston, West Virginia 25303, Telephone (304) 357-6508.

By Order of The Board of Education of Putnam County, West Virginia

February 15, 2010

on my oath, do depose and say that I am THE PUTNAM STANDARD, a Democratic authorized to execute all affidavits of publication; published for more than one year prior to publication of that such newspaper is regularly published weeks during the calendar year, in WINFIELD, that such newspaper is a newspaper of "general in article three, chapter fifty-nine of the Code of within the publication area or areas of the that such newspaper averages in length four or per issue; that such newspaper is circulated to or consideration; that such newspaper is a lic resorts for passing events of a political, ure, and for current happenings, announcements, the annexed notice of

Time of Sale

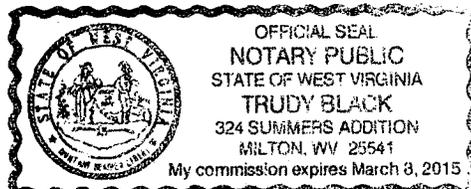
per once a week for 2 with the issue of the 23rd day of a issue of the 2nd day of Mar. 20 at the _____ on the _____

Paul Daryl

, Publisher
PUTNAM STANDARD

re me in my said county this 2nd day of

My commission expires March 8, 2015
Trudy Black



SUMMARY NOTICE OF SALE

\$56,750,000

The Board of Education of the County of Putnam, West Virginia Public School Bonds, Series 2010

Electronic bids via PARITY® will be received by The Board of Education of the County of Putnam, West Virginia (the "Board"), in accordance with its Official Notice of Sale until 11:00 a.m., Local Time, on Wednesday, March 10, 2010 (the "Date of Sale"), for the purchase, when issued, at not less than par, of the whole of the Bonds described above. No bids will be received after the time specified herein.

To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 357-6508 or PARITY® at (212) 849-5021. The Board reserves the right to change the Date of Sale and would give notice through Thompson Municipal Newswire, or other such service, of any changes.

The Bonds will be dated the date of their delivery and will mature on May 1 the years and in the amounts as follows:

Maturing (May 1)	Principal Amount(\$)	Maturing (May 1)	Principal Amount(\$)
2011	2,785,000	2019	3,845,000
2012	3,080,000	2020	3,995,000
2013	3,170,000	2021	4,155,000
2014	3,265,000	2022	4,325,000
2015	3,365,000	2023	4,495,000
2016	3,465,000	2024	4,675,000
2017	3,570,000	2025	4,865,000
2018	3,695,000		

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption. The Bonds will be general obligations of the Board and the full faith and credit of the Board will be pledged for payment of the principal and interest thereon. The approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, will be furnished to the successful bidder at the expense of the Board. The Bonds will be issued in book entry form only with The Depository Trust Company acting as securities depository.

A complete copy of the Official Notice of Sale and Official Bid Form is contained in the Preliminary Official Statement and may be obtained from the Board's Financial Advisor, Scott & Stringfellow LLC, 300 Summers Street, Suite 500, Charleston, West Virginia 25303, Telephone (304) 357-6508.

By Order of The Board of Education of Putnam County, West Virginia February 15, 2010

2-18-21

RONALD ALLEN PUBLISHER

PHONE 304-562-9881

CANE BREEZE

FOR ALL OF PUTNAM COUNTY

WINDY CREEK ROAD

P.O. BOX 310

HURRICANE WEST VIRGINIA 25526

CERTIFICATE OF PUBLICATION

HURRICANE, WEST VIRGINIA,

PUTNAM, To wit:

Personally appeared before me, a Notary Public of Putnam,.....Ron.Allen.....of Hurricane Breeze, and after being duly sworn deposes and that the attached legal publication was duly published in Cane Breeze for.. Two..(2) consecutive issues, in its February 18 & 25, 2010..

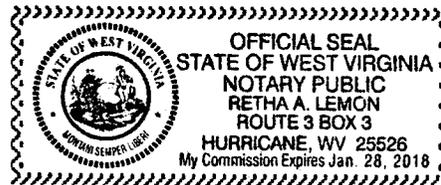
[Signature]

The Hurricane Breeze

Subscribed and sworn to before me this..26th....day of..... February....., 2010...

[Signature]

Notary Public



ESTABLISHED 1900

COOKIE ALLEN
PUBLISHER

PHONE 304-562-9881

THE HURRICANE BREEZE
THE WEEKLY NEWSPAPER FOR ALL OF PUTNAM COUNTY
488 HURRICANE CREEK ROAD
P.O. BOX 310
HURRICANE, WEST VIRGINIA 25526

CERTIFICATE OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, To wit:

This day personally appeared before me, a Notary Public of said County of Putnam,.....Ron.Allen.....of The Hurricane Breeze, and after being duly sworn deposes and says that the attached legal publication was duly published in The Hurricane Breeze for.. Two..(2) consecutive issues, in its issues dated February 18 & 25, 2010..

Ron Allen
.....

The Hurricane Breeze

Subscribed and sworn to before me this..26th....day of..... February....., 2010...

Retha A. Lemon
.....

Notary Public



OFFICIAL NOTICE OF SALE

\$56,750,000

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, WEST VIRGINIA PUBLIC SCHOOL BONDS, SERIES 2010

Electronic bids only will be received by The Board of Education of the County of Putnam, West Virginia (the "Board"), in accordance with this Official Notice of Sale until 11:00 a.m., Local Time, on March 10, 2010 (the "Date of Sale"). In the case of a malfunction in submitting an electronic bid, facsimile bids will be allowed, as more fully described below.

Immediately thereafter, the bids will be publicly announced, and the Board will act upon the bids by 1:00 p.m., Local Time.

Bid Submission

Solely as an accommodation to bidders, electronic bids via BIDCOMP/PARITY (the "Electronic Bidding System") will be accepted in accordance with this Official Notice of Sale. The Board is using BIDCOMP/PARITY as a communication mechanism to conduct the electronic bidding for the sale of its \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), as described herein. To the extent any instructions or directions set forth in BIDCOMP/PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees (i) that it is solely responsible for all arrangements with BIDCOMP/PARITY, (ii) that BIDCOMP/PARITY is not acting as the agent of the Board, and (iii) that the Board is not responsible for ensuring or verifying bidder compliance with any of the procedures of BIDCOMP/PARITY. The Board assumes no responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder through BIDCOMP/PARITY. Each bidder shall be solely responsible for making necessary arrangements to access the Electronic Bidding System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Board nor the Electronic Bidding System shall have any duty or obligation to provide or assure such access to any bidder, and neither the Board nor BIDCOMP/PARITY shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. For further information about BIDCOMP/PARITY, potential bidders may contact i-Deal at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

In the event of a malfunction of the Electronic Bidding System at 11:00 a.m., Local Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 12:00 noon, Local Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, facsimile transmission bids will be accepted at the discretion of the Board in coordination with its Financial Advisor, Scott & Stringfellow, Inc. (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders. Bidders choosing to submit bids in the case of a malfunction by facsimile transmission shall use the following telecopier number for such transmission: (804) 649-3964 (Attention: Matt Palumbo). Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received not later than the deadline as communicated to bidders and that the bid is sent to the telecopier number set forth above. Illegible transmissions shall be rejected. The Financial Advisor, will, on behalf of the Board, verify receipt of each bid submitted through facsimile transmission by contacting each bidder by telephone once the bid has been received. The Financial Advisor will in no instance correct, alter or in any way change bids submitted through facsimile transmission. The Board and the Financial Advisor will not be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of this Official Notice of Sale. Bidders submitting bids via facsimile transmission will bear full and complete responsibility for the transmission of such bid.

Each bid must be unconditional.

Change of Date and Time for Receipt of Bids

The Board expects to take bids on the Bonds on March 10, 2010. However, the Board reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by TM3 newswire, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced via TM3 newswire, or any other such service. Any bidder must submit a sealed bid for the purchase of the Bonds on such alternative sale date in conformity with the provisions of this Official Notice of Sale, except for any changes announced via the TM3 newswire, or any other such service, as described therein.

Principal Redemption

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

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2011	\$2,785,000	2019	\$3,845,000
2012	\$3,080,000	2020	\$3,995,000
2013	\$3,170,000	2021	\$4,155,000
2014	\$3,265,000	2022	\$4,325,000
2015	\$3,365,000	2023	\$4,495,000
2016	\$3,465,000	2024	\$4,675,000
2017	\$3,570,000	2025	\$4,865,000
2018	\$3,695,000		

Book-Entry-Only System

The Bonds will be issued by means of a book-entry system with no distribution of physical Bond certificates made to the public. One Bond certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), or its nominee, and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in principal amounts of \$5,000 or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Bond certificates registered in the name of Cede & Co. will be deposited with DTC. Interest on the Bonds will be payable from their date semiannually on each May 1 and November 1, beginning November 1, 2010, and principal of the Bonds will be paid annually on May 1, beginning May 1, 2011, to DTC or its nominee as registered owner of the Bonds. Transfer of principal, premium and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Board will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be prepared, executed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that case, either a successor depository will be selected by the Board or Bond certificates will be prepared, executed and delivered.

Optional Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole or in part on any interest payment date, from any moneys available for that purpose, at par, plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of \$5,000 in

principal amount and in the minimum principal amount of \$50,000.

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

The Issue; Authorizing Resolution; Security

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on and the principal of such Bonds were authorized and approved at a special election held on August 29, 2009, pursuant to, Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended, and to a Resolution and Order duly entered and adopted by the Board on February 15, 2010 (the "Resolution and Order"). The ballot question also stipulated a maximum term of fifteen and one-half (15.5) years from the date of the Bonds and an interest rate not exceeding six and seventy-five hundredths percent (6.75%) per annum. The canvass of said special election showed 5,169 "Yes" votes and 4,047 "No" votes, a 56.09% voter approval of those who participated.

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and Chapter 13, Article 1 of the Code of West Virginia, 1931, (the "Act"), county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Section 8 of Article X of the Constitution and Sections 20 and 24 of the Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

The Bonds will be general obligations of the Board, secured by an irrevocable pledge of its full faith and credit. The Board is authorized and required, unless other funds are lawfully available and appropriated, for timely payment of the Bonds, to levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitations as to rate or amount, upon all locally taxable property in Putnam County sufficient to pay principal of and interest on the Bonds as the same respectively become due and payable, all as more fully described in the Board's Preliminary Official Statement dated February __, 2010 (the "Preliminary Official Statement").

Bidding Rules; Award of Bonds

Bidders may only bid to purchase all of the Bonds. Each proposal must state the amount bid for the Bonds (not less than \$56,750,000 or greater than 106% of the par value of the Bonds) and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Bonds are to bear, but must not state (a) any interest rate which is in excess of 6.75%, (b) more than one interest rate for any Bonds having like maturity, or (c) any interest rate for Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than two percent (2%). The repetition of a rate will not be considered a different rate.

As promptly as reasonably possible after the bids are received, the Board will notify the bidder to whom the Bonds will be awarded, if and when such award is made. Such bidder, upon such notice, shall advise the Board of the initial reoffering prices or yields to the public of each maturity of the Bonds (the "Initial Reoffering Prices or Yields"). The winning bid will remain firm for a period of no less than five hours after the time specified for the opening of bids. An award of the Bonds, if made, will be made by the Board Administrator within such five hour period or, with the express consent of the winning bidder, such longer time period as deemed necessary.

The Board reserves the right to reject any and all proposals, not conforming to this Official Notice of Sale. Unless all bids are rejected, the Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale and submitting a bid which provides the lowest "true" or "Canadian" interest cost to the Board. The true interest cost shall be determined for each bid by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service to the date of the Bonds and to the price bid. If more than one bid offers the same lowest true interest cost, the successful bid will be selected by the Board Administrator by lot.

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If a bidder proposes to obtain a policy of municipal bond insurance or any other credit enhancement, any such purchase of insurance or commitment therefor shall be at the sole option and expense of the bidder, and the bidder must pay any increased costs of issuance of the Bonds as a result of such insurance or commitment. Any failure by the bidder to obtain such a policy of insurance shall not in any way relieve such bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Bonds.

Good Faith Deposit

Bidders must submit a certified or cashier's check for 2% of the par value of the bonds (\$1,135,000) drawn upon a solvent bank or trust company and payable unconditionally to the order of the The Board of Education of the County of Putnam, West Virginia, to secure the Board against any loss resulting from the failure of the successful bidder to comply with the terms of its bid. The check of the successful bidder will be deposited and credited toward the purchase price, and no interest will be allowed thereon to accrue to the benefit of the successful bidder. The proceeds of the check will be retained by the Board as liquidated damages in case the successful bidder fails to accept delivery of and pay for the Bonds. Checks of unsuccessful bidders will be returned promptly upon award of the Bonds. Bidders must also clearly indicate to whom the check should be returned in the event of an unsuccessful bid.

In lieu of the check described above, the deposit may be in the form of a Financial Surety Bond in the amount of \$1,135,000 payable to the Board. The Financial Surety Bond must be from an insurance company acceptable to the Board and licensed to issue such a bond in the State of West Virginia, and such Financial Surety Bond must be in a form acceptable to the Board. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then such successful bidder is required to submit its deposit to the Board in the form of a cashier's or certified check or wire transfer not later than 11:00 a.m., Local Time, on the next business day following the award. If such deposit is not received by such time, the Financial Surety Bond may be drawn by the Board to satisfy the deposit requirement.

As an alternative to the methods set forth above, upon bids being announced and a successful bidder being identified, the successful bidder may wire the sum of \$1,135,000 to a depository identified by the Board, by 2:00 p.m., Local Time, on the same day that the successful bidder is identified.

Bidders must deliver the good faith deposit (or, in lieu thereof, a Financial Surety Bond) by 11:00 a.m., Local Time, on March 10, 2010, to the Financial Advisor, Scott & Stringfellow, Inc., 909 East Main Street, 8th Floor, Richmond, Virginia 23219 (Attention: Mr. Matt Palumbo).

Delivery of the Bonds

The Bonds will be delivered at the expense of the Board in New York, New York, through the facilities of DTC, on or about March 24, 2010. The Bonds will be delivered upon payment of the balance of the purchase price in Federal Funds payable to the order of "The Board of Education of the County of Putnam, West Virginia".

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Bonds are exempt from all taxation by the State of West

Virginia or any political subdivision thereof. Said opinion shall also contain further statements to the effect that (a) said Bond Counsel has considered litigation in certain states, including the State of West Virginia, such as Pauley v. Bailey, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and that, in their opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Putnam County, West Virginia, for payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in such approving opinion; and (b) the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

It will be a further condition of delivery of any payment for the Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Bonds, including (i) a certificate dated the Date of Delivery of the Bonds, stating that there is no litigation pending or threatened affecting the validity of the Bonds, or wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board, or adversely affect the power of the Board to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, (ii) a certificate dated the Date of Delivery of the Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, to the best of their knowledge, the Official Statement in final form and as of its date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (iii) a tax and arbitrage certificate executed on behalf of the Board which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds not to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a special manner, where appropriate, and (b) refrain from taking any action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes. The Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Bonds are binding obligations of the Board and are incontestable.

Certificates of Winning Bidder

The successful bidder must, by facsimile transmission or overnight delivery received by the Board within 24 hours after receipt of bids for the Bonds, furnish the following information to complete the Official Statement in final form, as described below:

- A. The offering prices for the Bonds (expressed as the price or yield per maturity).
- B. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the prices or yields described in Subpart A above).
- C. The identity of the underwriters if the successful bidder is a part of a group or syndicate.
- D. Any other material information necessary to complete the Official Statement in final form but not known to the Board.

Prior to delivery of the Bonds, the successful bidder shall furnish to the Board a certificate, in form acceptable to the Board's counsel, to the effect that the successful bidder has made a bona fide public offering of the Bonds at the initial public offering prices set forth in such certificate, that the successful bidder has complied with Rule G-37 of the Municipal Securities Rulemaking Board (the "MSRB") with respect to the Board and that a substantial amount of the Bonds of each maturity were sold to the public (excluding bond houses, brokers and other intermediaries) at such initial public offering prices. Such certificate shall state that (1) it is made on the best knowledge, information and belief of the successful bidder and (2) 10% or more in par amount of the Bonds of each

maturity was sold to the public at the initial public offering price (such amount being sufficient to establish the sale of a substantial amount of the Bonds).

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with the terms of its bid. The Board will assume responsibility for the expense of the initial printing of CUSIP numbers; provided, however, that the Board assumes no responsibility for any CUSIP Service Bureau or other charges that may be imposed for the assignment of such numbers. All expenses in connection with the assignment of CUSIP numbers shall be paid by the successful bidder. It shall be the obligation of the successful bidder to furnish to DTC an underwriter questionnaire and to the Board the CUSIP numbers for the Bonds within two business days following the date of award.

Official Statement

The Board will furnish to the successful bidder, at the expense of the Board, up to 300 copies of the final Official Statement within seven business days from the date of the award of the Bonds, as specified in Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC") and the rules of the MSRB; provided that minor delays in furnishing such final Official Statements will not be a basis for failure to pay for and accept delivery of the Bonds. Additional copies will be made available at the successful bidder's request and expense. The Board assumes no responsibility or obligation for the distribution or delivery of the Official Statement to anyone other than the successful bidder.

The successful bidder, by executing the Official Bid Form, agrees to provide one copy of the Official Statement to at least one Nationally Recognized Municipal Securities Information Repository ("NRMSIR") within the meaning of the Rule upon receipt of the Official Statement from the Board and two copies of the Official Statement (with any required forms) to the MSRB or its designee no later than ten business days following the Date of Sale. The successful bidder shall notify the Board as soon as practicable of (1) the date which is the end of the underwriting period (such "underwriting period" is described in the Rule) and (2) the date of filing of the Official Statement with a NRMSIR and the MSRB or its designee.

If the Bonds are awarded to a syndicate, the Board will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official Statement to each participating underwriter. Any underwriter executing and delivering a bid form with respect to the Bonds agrees thereby that if its bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purposes of assuring the receipt and distribution by each such participating underwriter of the Official Statement, unless another firm is so designated by the syndicate in writing and approved by the Board.

Legal Opinion

The approving opinion of Goodwin & Goodwin, LLP with respect to the Bonds will be furnished to the successful bidder at the expense of the Board. The opinion will state that the Bonds constitute valid and binding limited obligations of the Board for the payment of which the Board's full faith and credit are irrevocably pledged and that the Board is authorized and required by law unless funds are lawfully available, to levy and collect taxes annually over and above all other taxes, upon all taxable property within the Board without limitation as to rate or amount sufficient to pay when due the principal of and interest on the Bonds.

Tax Exemption

The Official Statement relating to the Bonds contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Bonds and a discussion of the opinion of Goodwin & Goodwin, LLP insofar as it concerns such exclusion.

Federal and State Securities Laws

No action has been taken to qualify the Bonds under the federal securities laws.

Continuing Disclosure

The Board will agree, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and operating data and notices of the occurrence of certain events, if material. A description of these undertakings is set forth in the Preliminary Official Statement for the Bonds and will also be set forth in the final Official Statement for the Bonds (See Appendix E of the Preliminary Official Statement).

Additional Information

For further information relating to the Bonds and the Board, reference is made to the Board's Preliminary Official Statement. The Board has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. The Official Bid Form and the Preliminary Official Statement may be obtained from the Board's Financial Advisor, Scott & Stringfellow, Charleston, West Virginia (304) 357-6508.

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

By: /s/ Harold Hatfield, Secretary

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

Dated: February __, 2010

OFFICIAL BID FORM

Electronic bids (or facsimile bids as provided in the Official Notice of Sale) must be submitted by 11:00 am, Local Time, March 10, 2010.

The Board of Education of the County of Putnam, West Virginia
Winfield, West Virginia

On behalf of the firm(s) listed below and pursuant to the terms and conditions listed in the Board's Official Notice of Sale, we offer to purchase the \$56,750,000 Public School Bonds, Series 2010 (the "Bonds"), of The Board of Education of the County of Putnam, West Virginia, dated the date of their delivery. This offer is made for all the Bonds and not for less than all, maturing on May 1 in years shown below. The schedule of maturities and interest rates upon which this bid is based are as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>
2011	\$2,785,000		2019	\$3,845,000	
2012	\$3,080,000		2020	\$3,995,000	
2013	\$3,170,000		2021	\$4,155,000	
2014	\$3,265,000		2022	\$4,325,000	
2015	\$3,365,000		2023	\$4,495,000	
2016	\$3,465,000		2024	\$4,675,000	
2017	\$3,570,000		2025	\$4,865,000	
2018	\$3,695,000				

We will pay \$ _____, which is not less than \$56,750,000 or not less than par (representing a premium of \$ _____), and will accept delivery of the Bonds by means of a book-entry system at The Depository Trust Company, New York, NY.

Please indicate the appropriate choice:

_____ We have posted a surety bond in the amount of \$1,135,000. If awarded the bid, we will deliver to the Board \$1,135,000 in good faith money by 11:00 a.m., Local Time, on the next business day immediately following the date of award, or the Board will draw upon the surety bond and apply it in accordance with the Official Notice of Sale against any loss resulting from the successful bidder failing to comply with the terms of this bid.

_____ We have previously delivered a certified or cashier's check or a wire transfer for \$1,135,000 drawn upon or from a bank or trust company as detailed in the Official Notice of Sale and payable unconditionally to the order of The Board of Education of the County of Putnam, West Virginia, which is to be applied in accordance with the Official Notice of Sale against any loss resulting from the successful bidder failing to comply with the terms of this bid.

_____ We will wire funds in the amount of \$1,135,000 by 2:00 p.m., Local Time, on the same day that the successful bidder is identified. We understand that an award to the apparent successful bidder is contingent upon receipt of a deposit in the amount of \$1,135,000, and the Bonds will not be awarded to such bidder until The Board of Education of the County of Putnam, West Virginia has confirmation of receipt of such deposit.

The good faith deposit will be deposited and credited on the purchase price, and no interest will be credited thereon to the successful bidder. The good faith deposit will be retained by the Board as liquidated damages in case the successful bidder fails to accept delivery of and pay for the Bonds. Checks or wire transfers from unsuccessful bidders will be returned promptly upon award of the Bonds.

The undersigned hereby acknowledges receipt and review of the Preliminary Official Statement referred to in the Official Notice of Sale.

Respectfully submitted,

(Name of Bidding Firm)

(Authorized Signature)

(Name & Phone Number of Contact Person)

NO ADDITION OR ALTERATION, EXCEPT AS PROVIDED ABOVE, SHOULD BE MADE TO THIS BID. Please attach a list of syndicate members, as applicable.

The foregoing proposal is hereby accepted this ____ day of March, 2010.

By: _____, President, The Board of Education of the County of Putnam, West Virginia

(NOTE - The following is included for information only and is not part of this bid:

True Interest Cost (Calculated in accordance with the Official Notice of Sale) - _____% (to six decimal places).

Return of the good faith deposit mentioned above is hereby acknowledged:

By: _____ March ____, 2010
(Authorized Signature of Bidder)



Parity Calendar

- Upcoming Calendar
- Overview
- Result
- Excel

Citigroup Global Markets Inc. - New York , NY's Bid
Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010



For the aggregate principal amount of \$56,750,000.00, we will pay you \$59,807,616.60, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	3.0000
05/01/2012	3,080M	3.0000
05/01/2013	3,170M	3.0000
05/01/2014	3,265M	3.0000
05/01/2015	3,365M	4.0000
05/01/2016	3,465M	4.0000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	4.0000
05/01/2020	3,995M	4.0000
05/01/2021	4,155M	4.0000
05/01/2022	4,325M	4.0000
05/01/2023	4,495M	4.0000
05/01/2024	4,675M	4.0000
05/01/2025	4,865M	4.0000

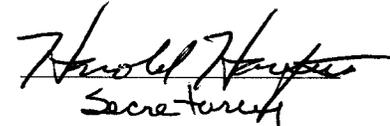
Total Interest Cost: \$19,613,513.89
 Premium: \$3,057,616.60
 Net Interest Cost: \$16,555,897.29
 TIC: 3.196040
 Time Last Bid Received On: 03/10/2010 10:59:41 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Citigroup Global Markets Inc., New York , NY
 Contact: Charles Reed
 Title: VP
 Telephone: 212-723-7093
 Fax: 212-723-8951

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: 
 President

Accepted By: 
 Secretary

Date: 3-10-10

Date: 3-10-10

OVERVIEW REPORT



Issuer	State	Issue Size	Sale Date
The Board of Education of the County of Putnam	WV	\$56,750,000	03/10/2010
Issue Description		Moody's/S&P/Fitch	Sale Time
Public School Bonds, Series 2010		/AA /	11:00AM EST
Dated Date	Due Date	First Int Date	Delivery
03/24/2010	05/01/2011 Thru 05/01/2025	11/01/2010	On or about 03/24/2010
Bid Award		Bank Qualified	
Low TIC - Dated Date excluding Accrued Int		No	

Series Size		Series Description	
\$56,750,000		Public School Bonds, Series 2010	
Security Type	Bond Form	Insured By Issuer/Enhancement	Interest
Ult G.O.	Book Entry	No	M1-N1

BID SPECS

Max NIC/TIC	None	Series Min Bid	>= \$56,750,000.00 or 100 %
Denomination	\$5,000.00	Series Max Bid	<= \$60,155,000.00 or 106 %
Coupon Mults	1/8 and 1/20 of 1% only	Zeros Cpn	Not Permitted
Overall Cpn Dif	2.000%	Rates per Mat	One
Low Cpn	None	Term Bonds	Serial Bonds only
Low Yield	None	# of Cpns	
Low Dollar	None	Asc Cpn	
High Cpn	Not to Exceed Rate (6.7500%)		
High Yield	None		
High Dollar	None		

Maturity	CUSIP	\$ Amount	Rate	Basis/ Yield	Mdy's/S&P/Fitch
05/01/2011		\$2,785,000			/AA /
05/01/2012		\$3,080,000			/AA /
05/01/2013		\$3,170,000			/AA /
05/01/2014		\$3,265,000			/AA /
05/01/2015		\$3,365,000			/AA /
05/01/2016		\$3,465,000			/AA /
05/01/2017		\$3,570,000			/AA /
05/01/2018		\$3,695,000			/AA /
05/01/2019		\$3,845,000			/AA /
05/01/2020		\$3,995,000			/AA /
05/01/2021		\$4,155,000			/AA /
05/01/2022		\$4,325,000			/AA /
05/01/2023		\$4,495,000			/AA /
05/01/2024		\$4,675,000			/AA /
05/01/2025		\$4,865,000			/AA /

Call Feature	Avg Life To Dated Date	Day Count
Bonds due 05/01/2021-05/01/2025 callable May 1, 2020 at par.	8 YRS. 9 MOS. 12 DAYS.	30/360

Notes
(1) If a bidder proposes to obtain insurance, any such purchase therefor shall be at the sole option and expense of the bidder. (2) As an alternative to the certified or cashier's check or financial surety bond, upon bids being announced and a successful bidder being identified, the purchaser may wire the sum of \$1,135,000 to a depository identified by the issuer, by 2PM EST that day. (3) The purchaser, upon being notified of the award, shall advise the Board of the initial reoffering prices or yields to the public of each maturity of the Bonds.

Bid Address To	Payment Type	Payable To	Good Faith
Electronic bids via Parity	Certified/cashier's check/financial surety/wire transfer	Board of Education	\$1,135,000

Parity	Insurance Disclosed	Ins Prem. Disclosed	Bond Cost	Legal Cost	Sure Bid
Yes	No	No	Board of Education	Board of Education	Yes

Financial Advisor	Legal Opinion	Paying Agent	Base CUSIP
Scott & Stringfellow, Charleston WV 304-357-6508	Goodwin & Goodwin, Charleston WV 304-346-7000	W VA Muni Bond WV (to Cede & Co, as nominee of DTC, NYC)	

Future Submit Screen

**Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010**

The following bidders intend to submit bids on this issue:

Bidder	Contact	Telephone
BB&T Capital Markets	Jerry Eichler	704-954-1501
BMO Capital Markets	Steve Brown	312-845-5071
Hutchinson, Shockey, Erley & Co.	Jim VanMetre	312-443-1550
J.P. Morgan Securities Inc.	Steve Mitacek	212-834-7155
Banc of America Merrill Lynch	Brendan Troy	212-449-5081
Morgan Stanley & Co Inc.	Paul Minella	212-761-1633
Prager, Sealy & Co., LLC	Richard Genitempo	212-661-6600
Raymond James & Associates, Inc.	Alex Marcinkiewicz	727-567-1293
Robert W. Baird & Co., Inc.	Tim Jackson	336-631-5800
Robert W. Baird & Co., Inc.	charles massaro	732-576-4410
Citigroup Global Markets Inc.	Charles Reed	212-723-7093

Bid Results**Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010**

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	Citigroup Global Markets Inc.	3.196040
<input type="checkbox"/>	BB&T Capital Markets	3.254860
<input type="checkbox"/>	Prager, Sealy & Co., LLC	3.267296
<input type="checkbox"/>	Banc of America Merrill Lynch	3.285571
<input type="checkbox"/>	Morgan Stanley & Co Inc.	3.308832
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	3.332608
<input type="checkbox"/>	BMO Capital Markets	3.372038

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

Citigroup Global Markets Inc.'s Reoffering Scale
Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010



Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
05/01/2011	2,785M	3.0000	0.5000	102.745	
05/01/2012	3,080M	3.0000	0.8000	104.577	
05/01/2013	3,170M	3.0000	0.9500	106.252	
05/01/2014	3,265M	3.0000	1.3000	106.769	
05/01/2015	3,365M	4.0000	1.6700	111.350	
05/01/2016	3,465M	4.0000	2.1100	110.767	
05/01/2017	3,570M	4.0000	2.5800	109.159	
05/01/2018	3,695M	4.0000	2.8500	108.265	
05/01/2019	3,845M	4.0000	3.1000	107.088	
05/01/2020	3,995M	4.0000	3.2500	106.412	
05/01/2021	4,155M	4.0000	3.2700	106.235	05/01/2020
05/01/2022	4,325M	4.0000	3.4200	104.916	05/01/2020
05/01/2023	4,495M	4.0000	3.5200	104.048	05/01/2020
05/01/2024	4,675M	4.0000	3.6200	103.188	05/01/2020
05/01/2025	4,865M	4.0000	3.7200	102.337	05/01/2020

Accrued Interest: \$0.00

Gross Production: \$60,219,054.10

Citigroup Global Markets Inc. - New York , NY's Bid
Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010



For the aggregate principal amount of \$56,750,000.00, we will pay you \$59,807,616.60, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	3.0000
05/01/2012	3,080M	3.0000
05/01/2013	3,170M	3.0000
05/01/2014	3,265M	3.0000
05/01/2015	3,365M	4.0000
05/01/2016	3,465M	4.0000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	4.0000
05/01/2020	3,995M	4.0000
05/01/2021	4,155M	4.0000
05/01/2022	4,325M	4.0000
05/01/2023	4,495M	4.0000
05/01/2024	4,675M	4.0000
05/01/2025	4,865M	4.0000

Total Interest Cost: \$19,613,513.89
Premium: \$3,057,616.60
Net Interest Cost: \$16,555,897.29
TIC: 3.196040
Time Last Bid Received On:03/10/2010 10:59:41 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Citigroup Global Markets Inc., New York , NY
Contact: Charles Reed
Title: VP
Telephone:212-723-7093
Fax: 212-723-8951

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

**The Board of Educaiton
of the County of Putnam (West Virginia)
Public School Bonds, Series 2010
Bidder: Citigroup Global Markets Inc.**

Par Amount	56,750,000.00	TIC	3.196040%
Premium	3,057,616.60	NIC	3.934249%
Underwriters Discount	-		
Bid Amount	59,807,616.60	Average Life	8.784716

Date	Rate	Par	Interest	Total
TOTAL		56,750,000.00	19,613,513.89	76,363,513.89

11/1/2010			1,294,163.89	1,294,163.89
5/1/2011	3.000%	2,785,000.00	1,073,500.00	3,858,500.00
11/1/2011			1,031,725.00	1,031,725.00
5/1/2012	3.000%	3,080,000.00	1,031,725.00	4,111,725.00
11/1/2012			985,525.00	985,525.00
5/1/2013	3.000%	3,170,000.00	985,525.00	4,155,525.00
11/1/2013			937,975.00	937,975.00
5/1/2014	3.000%	3,265,000.00	937,975.00	4,202,975.00
11/1/2014			889,000.00	889,000.00
5/1/2015	4.000%	3,365,000.00	889,000.00	4,254,000.00
11/1/2015			821,700.00	821,700.00
5/1/2016	4.000%	3,465,000.00	821,700.00	4,286,700.00
11/1/2016			752,400.00	752,400.00
5/1/2017	4.000%	3,570,000.00	752,400.00	4,322,400.00
11/1/2017			681,000.00	681,000.00
5/1/2018	4.000%	3,695,000.00	681,000.00	4,376,000.00
11/1/2018			607,100.00	607,100.00
5/1/2019	4.000%	3,845,000.00	607,100.00	4,452,100.00
11/1/2019			530,200.00	530,200.00
5/1/2020	4.000%	3,995,000.00	530,200.00	4,525,200.00
11/1/2020			450,300.00	450,300.00
5/1/2021	4.000%	4,155,000.00	450,300.00	4,605,300.00
11/1/2021			367,200.00	367,200.00
5/1/2022	4.000%	4,325,000.00	367,200.00	4,692,200.00
11/1/2022			280,700.00	280,700.00
5/1/2023	4.000%	4,495,000.00	280,700.00	4,775,700.00
11/1/2023			190,800.00	190,800.00
5/1/2024	4.000%	4,675,000.00	190,800.00	4,865,800.00
11/1/2024			97,300.00	97,300.00
5/1/2025	4.000%	4,865,000.00	97,300.00	4,962,300.00

BB&T Capital Markets - Charlotte , NC's Bid

**Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010**

For the aggregate principal amount of \$56,750,000.00, we will pay you \$59,751,054.37, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	2.7500
05/01/2012	3,080M	3.0000
05/01/2013	3,170M	3.0000
05/01/2014	3,265M	3.0000
05/01/2015	3,365M	3.0000
05/01/2016	3,465M	3.0000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	3.0000
05/01/2020	3,995M	3.0000
05/01/2021	4,155M	4.5000
05/01/2022	4,325M	4.5000
05/01/2023	4,495M	4.5000
05/01/2024	4,675M	4.5000
05/01/2025	4,865M	4.5000

Total Interest Cost: \$19,952,953.51
 Premium: \$3,001,054.37
 Net Interest Cost: \$16,951,899.14
 TIC: 3.254860
 Time Last Bid Received On: 03/10/2010 10:59:46 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: BB&T Capital Markets, Charlotte , NC
 Contact: Jerry Eichler
 Title:
 Telephone: 704-954-1501
 Fax: 704-954-1550

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

**The Board of Educaiton
of the County of Putnam (West Virginia)
Public School Bonds, Series 2010
Bidder: BB&T Capital Markets**

Par Amount	56,750,000.00	TIC	3.254860%
Premium	3,001,054.37	NIC	4.002336%
Underwriters Discount	-		
Bid Amount	59,751,054.37	Average Life	8.784716

Date	Rate	Par	Interest	Total
TOTAL		56,750,000.00	19,952,953.51	76,702,953.51

11/1/2010			1,269,397.26	1,269,397.26
5/1/2011	2.750%	2,785,000.00	1,052,956.25	3,837,956.25
11/1/2011			1,014,662.50	1,014,662.50
5/1/2012	3.000%	3,080,000.00	1,014,662.50	4,094,662.50
11/1/2012			968,462.50	968,462.50
5/1/2013	3.000%	3,170,000.00	968,462.50	4,138,462.50
11/1/2013			920,912.50	920,912.50
5/1/2014	3.000%	3,265,000.00	920,912.50	4,185,912.50
11/1/2014			871,937.50	871,937.50
5/1/2015	3.000%	3,365,000.00	871,937.50	4,236,937.50
11/1/2015			821,462.50	821,462.50
5/1/2016	3.000%	3,465,000.00	821,462.50	4,286,462.50
11/1/2016			769,487.50	769,487.50
5/1/2017	4.000%	3,570,000.00	769,487.50	4,339,487.50
11/1/2017			698,087.50	698,087.50
5/1/2018	4.000%	3,695,000.00	698,087.50	4,393,087.50
11/1/2018			624,187.50	624,187.50
5/1/2019	3.000%	3,845,000.00	624,187.50	4,469,187.50
11/1/2019			566,512.50	566,512.50
5/1/2020	3.000%	3,995,000.00	566,512.50	4,561,512.50
11/1/2020			506,587.50	506,587.50
5/1/2021	4.500%	4,155,000.00	506,587.50	4,661,587.50
11/1/2021			413,100.00	413,100.00
5/1/2022	4.500%	4,325,000.00	413,100.00	4,738,100.00
11/1/2022			315,787.50	315,787.50
5/1/2023	4.500%	4,495,000.00	315,787.50	4,810,787.50
11/1/2023			214,650.00	214,650.00
5/1/2024	4.500%	4,675,000.00	214,650.00	4,889,650.00
11/1/2024			109,462.50	109,462.50
5/1/2025	4.500%	4,865,000.00	109,462.50	4,974,462.50

Prager, Sealy & Co., LLC - New York , NY's Bid



Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010

For the aggregate principal amount of \$56,750,000.00, we will pay you \$60,131,145.27, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	3.5000
05/01/2012	3,080M	3.5000
05/01/2013	3,170M	3.5000
05/01/2014	3,265M	3.5000
05/01/2015	3,365M	3.5000
05/01/2016	3,465M	3.5000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	4.0000
05/01/2020	3,995M	5.0000
05/01/2021	4,155M	4.2500
05/01/2022	4,325M	4.5000
05/01/2023	4,495M	4.0000
05/01/2024	4,675M	4.0000
05/01/2025	4,865M	4.0000

Total Interest Cost: \$20,366,483.51
Premium: \$3,381,145.27
Net Interest Cost: \$16,985,338.24
TIC: 3.267296
Time Last Bid Received On:03/10/2010 10:57:34 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Prager, Sealy & Co., LLC, New York , NY
Contact: Richard Genitempo
Title: Vice President
Telephone:212-661-6600
Fax: 212-661-2805

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

**The Board of Educaiton
of the County of Putnam (West Virginia)
Public School Bonds, Series 2010
Bidder: Prager, Sealy & Co., LLC**

Par Amount	56,750,000.00	TIC	3.267296%
Premium	3,381,145.27	NIC	4.085286%
Underwriters Discount	-		
Bid Amount	60,131,145.27	Average Life	8.784716

Date	Rate	Par	Interest	Total
TOTAL		56,750,000.00	20,366,483.51	77,116,483.51

11/1/2010			1,354,027.26	1,354,027.26
5/1/2011	3.500%	2,785,000.00	1,123,156.25	3,908,156.25
11/1/2011			1,074,418.75	1,074,418.75
5/1/2012	3.500%	3,080,000.00	1,074,418.75	4,154,418.75
11/1/2012			1,020,518.75	1,020,518.75
5/1/2013	3.500%	3,170,000.00	1,020,518.75	4,190,518.75
11/1/2013			965,043.75	965,043.75
5/1/2014	3.500%	3,265,000.00	965,043.75	4,230,043.75
11/1/2014			907,906.25	907,906.25
5/1/2015	3.500%	3,365,000.00	907,906.25	4,272,906.25
11/1/2015			849,018.75	849,018.75
5/1/2016	3.500%	3,465,000.00	849,018.75	4,314,018.75
11/1/2016			788,381.25	788,381.25
5/1/2017	4.000%	3,570,000.00	788,381.25	4,358,381.25
11/1/2017			716,981.25	716,981.25
5/1/2018	4.000%	3,695,000.00	716,981.25	4,411,981.25
11/1/2018			643,081.25	643,081.25
5/1/2019	4.000%	3,845,000.00	643,081.25	4,488,081.25
11/1/2019			566,181.25	566,181.25
5/1/2020	5.000%	3,995,000.00	566,181.25	4,561,181.25
11/1/2020			466,306.25	466,306.25
5/1/2021	4.250%	4,155,000.00	466,306.25	4,621,306.25
11/1/2021			378,012.50	378,012.50
5/1/2022	4.500%	4,325,000.00	378,012.50	4,703,012.50
11/1/2022			280,700.00	280,700.00
5/1/2023	4.000%	4,495,000.00	280,700.00	4,775,700.00
11/1/2023			190,800.00	190,800.00
5/1/2024	4.000%	4,675,000.00	190,800.00	4,865,800.00
11/1/2024			97,300.00	97,300.00
5/1/2025	4.000%	4,865,000.00	97,300.00	4,962,300.00

Banc of America Merrill Lynch - New York , NY's Bid
Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010



For the aggregate principal amount of \$56,750,000.00, we will pay you \$59,977,142.73, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	3.0000
05/01/2012	3,080M	3.0000
05/01/2013	3,170M	4.0000
05/01/2014	3,265M	4.0000
05/01/2015	3,365M	4.0000
05/01/2016	3,465M	4.0000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	4.0000
05/01/2020	3,995M	5.0000
05/01/2021	4,155M	4.0000
05/01/2022	4,325M	4.0000
05/01/2023	4,495M	4.0000
05/01/2024	4,675M	4.0000
05/01/2025	4,865M	4.0000

Total Interest Cost: \$20,249,433.61
Premium: \$3,227,142.73
Net Interest Cost: \$17,022,290.88
TIC: 3.285571
Time Last Bid Received On: 03/10/2010 10:59:31 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Banc of America Merrill Lynch, New York , NY
Contact: Brendan Troy
Title: Vice President
Telephone: 212-449-5081
Fax: 212-449-3733

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

**The Board of Educaiton
of the County of Putnam (West Virginia)
Public School Bonds, Series 2010
Bidder: Banc of America Merrill Lynch**

Par Amount	56,750,000.00	TIC	3.285571%
Premium	3,227,142.73	NIC	4.061807%
Underwriters Discount	-		
Bid Amount	59,977,142.73	Average Life	8.784716

Date	Rate	Par	Interest	Total
TOTAL		56,750,000.00	20,249,433.61	76,999,433.61
11/1/2010			1,357,033.61	1,357,033.61
5/1/2011	3.000%	2,785,000.00	1,125,650.00	3,910,650.00
11/1/2011			1,083,875.00	1,083,875.00
5/1/2012	3.000%	3,080,000.00	1,083,875.00	4,163,875.00
11/1/2012			1,037,675.00	1,037,675.00
5/1/2013	4.000%	3,170,000.00	1,037,675.00	4,207,675.00
11/1/2013			974,275.00	974,275.00
5/1/2014	4.000%	3,265,000.00	974,275.00	4,239,275.00
11/1/2014			908,975.00	908,975.00
5/1/2015	4.000%	3,365,000.00	908,975.00	4,273,975.00
11/1/2015			841,675.00	841,675.00
5/1/2016	4.000%	3,465,000.00	841,675.00	4,306,675.00
11/1/2016			772,375.00	772,375.00
5/1/2017	4.000%	3,570,000.00	772,375.00	4,342,375.00
11/1/2017			700,975.00	700,975.00
5/1/2018	4.000%	3,695,000.00	700,975.00	4,395,975.00
11/1/2018			627,075.00	627,075.00
5/1/2019	4.000%	3,845,000.00	627,075.00	4,472,075.00
11/1/2019			550,175.00	550,175.00
5/1/2020	5.000%	3,995,000.00	550,175.00	4,545,175.00
11/1/2020			450,300.00	450,300.00
5/1/2021	4.000%	4,155,000.00	450,300.00	4,605,300.00
11/1/2021			367,200.00	367,200.00
5/1/2022	4.000%	4,325,000.00	367,200.00	4,692,200.00
11/1/2022			280,700.00	280,700.00
5/1/2023	4.000%	4,495,000.00	280,700.00	4,775,700.00
11/1/2023			190,800.00	190,800.00
5/1/2024	4.000%	4,675,000.00	190,800.00	4,865,800.00
11/1/2024			97,300.00	97,300.00
5/1/2025	4.000%	4,865,000.00	97,300.00	4,962,300.00

Morgan Stanley & Co Inc. - New York , NY's Bid
Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010



For the aggregate principal amount of \$56,750,000.00, we will pay you \$60,154,603.99, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	3.0000
05/01/2012	3,080M	3.0000
05/01/2013	3,170M	3.0000
05/01/2014	3,265M	3.0000
05/01/2015	3,365M	3.2500
05/01/2016	3,465M	4.0000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	5.0000
05/01/2020	3,995M	5.0000
05/01/2021	4,155M	4.0000
05/01/2022	4,325M	4.0000
05/01/2023	4,495M	4.0000
05/01/2024	4,675M	3.5000
05/01/2025	4,865M	5.0000

Total Interest Cost: \$20,643,438.02
Premium: \$3,404,603.99
Net Interest Cost: \$17,238,834.03
TIC: 3.308832
Time Last Bid Received On:03/10/2010 10:59:48 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Morgan Stanley & Co Inc., New York , NY
Contact: Paul Minella
Title:
Telephone:212-761-1633
Fax: 914-225-5310

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

**The Board of Educaiton
of the County of Putnam (West Virginia)
Public School Bonds, Series 2010
Bidder: Morgan Stanley & Co Inc.**

Par Amount	56,750,000.00	TIC	3.308832%
Premium	3,404,603.99	NIC	4.140840%
Underwriters Discount	-		
Bid Amount	60,154,603.99	Average Life	8.784716

Date	Rate	Par	Interest	Total
TOTAL		56,750,000.00	20,643,438.02	77,393,438.02

11/1/2010			1,341,444.27	1,341,444.27
5/1/2011	3.000%	2,785,000.00	1,112,718.75	3,897,718.75
11/1/2011			1,070,943.75	1,070,943.75
5/1/2012	3.000%	3,080,000.00	1,070,943.75	4,150,943.75
11/1/2012			1,024,743.75	1,024,743.75
5/1/2013	3.000%	3,170,000.00	1,024,743.75	4,194,743.75
11/1/2013			977,193.75	977,193.75
5/1/2014	3.000%	3,265,000.00	977,193.75	4,242,193.75
11/1/2014			928,218.75	928,218.75
5/1/2015	3.250%	3,365,000.00	928,218.75	4,293,218.75
11/1/2015			873,537.50	873,537.50
5/1/2016	4.000%	3,465,000.00	873,537.50	4,338,537.50
11/1/2016			804,237.50	804,237.50
5/1/2017	4.000%	3,570,000.00	804,237.50	4,374,237.50
11/1/2017			732,837.50	732,837.50
5/1/2018	4.000%	3,695,000.00	732,837.50	4,427,837.50
11/1/2018			658,937.50	658,937.50
5/1/2019	5.000%	3,845,000.00	658,937.50	4,503,937.50
11/1/2019			562,812.50	562,812.50
5/1/2020	5.000%	3,995,000.00	562,812.50	4,557,812.50
11/1/2020			462,937.50	462,937.50
5/1/2021	4.000%	4,155,000.00	462,937.50	4,617,937.50
11/1/2021			379,837.50	379,837.50
5/1/2022	4.000%	4,325,000.00	379,837.50	4,704,837.50
11/1/2022			293,337.50	293,337.50
5/1/2023	4.000%	4,495,000.00	293,337.50	4,788,337.50
11/1/2023			203,437.50	203,437.50
5/1/2024	3.500%	4,675,000.00	203,437.50	4,878,437.50
11/1/2024			121,625.00	121,625.00
5/1/2025	5.000%	4,865,000.00	121,625.00	4,986,625.00

**Hutchinson, Shockey, Erley & Co. - Chicago , IL's Bid
Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010**



For the aggregate principal amount of \$56,750,000.00, we will pay you \$58,434,107.77, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	3.0000
05/01/2012	3,080M	2.0000
05/01/2013	3,170M	2.0000
05/01/2014	3,265M	2.0000
05/01/2015	3,365M	2.0000
05/01/2016	3,465M	3.0000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	4.0000
05/01/2020	3,995M	4.0000
05/01/2021	4,155M	4.0000
05/01/2022	4,325M	4.0000
05/01/2023	4,495M	4.0000
05/01/2024	4,675M	4.0000
05/01/2025	4,865M	4.0000

Total Interest Cost: \$18,761,556.39
 Premium: \$1,684,107.77
 Net Interest Cost: \$17,077,448.62
 TIC: 3.332608
 Time Last Bid Received On:03/10/2010 10:59:56 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Hutchinson, Shockey, Erley & Co., Chicago , IL
 Contact: Jim VanMetre
 Title:
 Telephone:312-443-1550
 Fax: 443--72-25

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

**The Board of Educaiton
of the County of Putnam (West Virginia)
Public School Bonds, Series 2010
Bidder: Hutchinson, Shockey, Erley & Co.**

Par Amount	56,750,000.00	TIC	3.332608%
Premium	1,684,107.77	NIC	3.763356%
Underwriters Discount	-		
Bid Amount	58,434,107.77	Average Life	8.784716

Date	Rate	Par	Interest	Total
TOTAL		56,750,000.00	18,761,556.39	75,511,556.39
11/1/2010			1,175,356.39	1,175,356.39
5/1/2011	3.000%	2,785,000.00	974,950.00	3,759,950.00
11/1/2011			933,175.00	933,175.00
5/1/2012	2.000%	3,080,000.00	933,175.00	4,013,175.00
11/1/2012			902,375.00	902,375.00
5/1/2013	2.000%	3,170,000.00	902,375.00	4,072,375.00
11/1/2013			870,675.00	870,675.00
5/1/2014	2.000%	3,265,000.00	870,675.00	4,135,675.00
11/1/2014			838,025.00	838,025.00
5/1/2015	2.000%	3,365,000.00	838,025.00	4,203,025.00
11/1/2015			804,375.00	804,375.00
5/1/2016	3.000%	3,465,000.00	804,375.00	4,269,375.00
11/1/2016			752,400.00	752,400.00
5/1/2017	4.000%	3,570,000.00	752,400.00	4,322,400.00
11/1/2017			681,000.00	681,000.00
5/1/2018	4.000%	3,695,000.00	681,000.00	4,376,000.00
11/1/2018			607,100.00	607,100.00
5/1/2019	4.000%	3,845,000.00	607,100.00	4,452,100.00
11/1/2019			530,200.00	530,200.00
5/1/2020	4.000%	3,995,000.00	530,200.00	4,525,200.00
11/1/2020			450,300.00	450,300.00
5/1/2021	4.000%	4,155,000.00	450,300.00	4,605,300.00
11/1/2021			367,200.00	367,200.00
5/1/2022	4.000%	4,325,000.00	367,200.00	4,692,200.00
11/1/2022			280,700.00	280,700.00
5/1/2023	4.000%	4,495,000.00	280,700.00	4,775,700.00
11/1/2023			190,800.00	190,800.00
5/1/2024	4.000%	4,675,000.00	190,800.00	4,865,800.00
11/1/2024			97,300.00	97,300.00
5/1/2025	4.000%	4,865,000.00	97,300.00	4,962,300.00

BMO Capital Markets - Chicago , IL's Bid

**Putnam Co BOE
\$56,750,000 Public School Bonds, Series 2010**

For the aggregate principal amount of \$56,750,000.00, we will pay you \$59,825,676.80, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
05/01/2011	2,785M	2.5000
05/01/2012	3,080M	2.5000
05/01/2013	3,170M	2.5000
05/01/2014	3,265M	2.5000
05/01/2015	3,365M	2.5000
05/01/2016	3,465M	3.0000
05/01/2017	3,570M	4.0000
05/01/2018	3,695M	4.0000
05/01/2019	3,845M	4.0000
05/01/2020	3,995M	4.5000
05/01/2021	4,155M	4.5000
05/01/2022	4,325M	4.5000
05/01/2023	4,495M	4.5000
05/01/2024	4,675M	4.5000
05/01/2025	4,865M	4.5000

Total Interest Cost: \$20,666,292.29
 Premium: \$3,075,676.80
 Net Interest Cost: \$17,590,615.49
 TIC: 3.372038
 Time Last Bid Received On:03/10/2010 10:59:31 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: BMO Capital Markets, Chicago , IL
 Contact: Steve Brown
 Title: Managing Director
 Telephone:312-845-5071
 Fax:

Issuer Name: The Board of Education of the County of Putnam Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

**The Board of Educaiton
of the County of Putnam (West Virginia)
Public School Bonds, Series 2010
Bidder: BMO Capital Markets**

Par Amount	56,750,000.00	TIC	3.372038%
Premium	3,075,676.80	NIC	4.145424%
Underwriters Discount	-		
Bid Amount	59,825,676.80	Average Life	8.784716

Date	Rate	Par	Interest	Total
TOTAL		56,750,000.00	20,666,292.29	77,416,292.29

11/1/2010			1,285,679.79	1,285,679.79
5/1/2011	2.500%	2,785,000.00	1,066,462.50	3,851,462.50
11/1/2011			1,031,650.00	1,031,650.00
5/1/2012	2.500%	3,080,000.00	1,031,650.00	4,111,650.00
11/1/2012			993,150.00	993,150.00
5/1/2013	2.500%	3,170,000.00	993,150.00	4,163,150.00
11/1/2013			953,525.00	953,525.00
5/1/2014	2.500%	3,265,000.00	953,525.00	4,218,525.00
11/1/2014			912,712.50	912,712.50
5/1/2015	2.500%	3,365,000.00	912,712.50	4,277,712.50
11/1/2015			870,650.00	870,650.00
5/1/2016	3.000%	3,465,000.00	870,650.00	4,335,650.00
11/1/2016			818,675.00	818,675.00
5/1/2017	4.000%	3,570,000.00	818,675.00	4,388,675.00
11/1/2017			747,275.00	747,275.00
5/1/2018	4.000%	3,695,000.00	747,275.00	4,442,275.00
11/1/2018			673,375.00	673,375.00
5/1/2019	4.000%	3,845,000.00	673,375.00	4,518,375.00
11/1/2019			596,475.00	596,475.00
5/1/2020	4.500%	3,995,000.00	596,475.00	4,591,475.00
11/1/2020			506,587.50	506,587.50
5/1/2021	4.500%	4,155,000.00	506,587.50	4,661,587.50
11/1/2021			413,100.00	413,100.00
5/1/2022	4.500%	4,325,000.00	413,100.00	4,738,100.00
11/1/2022			315,787.50	315,787.50
5/1/2023	4.500%	4,495,000.00	315,787.50	4,810,787.50
11/1/2023			214,650.00	214,650.00
5/1/2024	4.500%	4,675,000.00	214,650.00	4,889,650.00
11/1/2024			109,462.50	109,462.50
5/1/2025	4.500%	4,865,000.00	109,462.50	4,974,462.50

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of March, 2010, by and between THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM, the governing body of the Putnam County School District, a public school district of the State of West Virginia (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia, a state banking corporation (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$56,750,000 aggregate principal amount of Public School Bonds, Series 2010, in fully registered form (the "Bonds"), pursuant to a Resolution and Order adopted February 15, 2010 (the "Resolution");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Resolution and to take certain other actions hereinafter set forth.

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of the Registrar, all as set forth in the Resolution, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer, and the Registrar shall be fully indemnified and held harmless by the Issuer for any claims against it as a result of any loss by the registered owner of any Bond if

payments of principal or interest are not made when due if such failure is caused by a lack of funds being advanced to the Paying Agent as required under paragraph 5 of this Agreement.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar; provided, the Registrar shall have no duty or responsibility for making any payment of interest or principal to the registered owner of any Bond, as required in paragraphs 4 and 9 of the Resolution. In the event of any conflict between the terms of this Registrar's Agreement and the Resolution the terms of the Resolution shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Resolution will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon sixty (60) days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: The Board of Education of Putnam County
 9 Courthouse Drive
 Winfield, WV 25213

REGISTRAR: United Bank, Inc.
 500 Virginia Street, East
 Charleston, WV 25301
 Attention: Trust Department

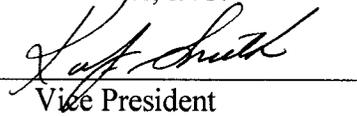
8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with instructions provided by the Purchaser thereof.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM and UNITED BANK, INC. have caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day, month and year first above-written.

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

By: 
President

UNITED BANK, INC.

By: 
Vice President



JOHN D. PERDUE
STATE TREASURER

PAUL W. HILL
ASSISTANT STATE TREASURER

RECEIVED

MAR 15 2010

State of West Virginia
OFFICE OF THE STATE TREASURER
CHARLESTON, WV 25305

1-800-422-7498
304-558-5000
FAX 304-558-4097
WWW.WVSTO.COM

March 9, 2010

Mr. David P. Kirby
Vice President
Financial Advisor
Scott & Stringfellow
300 Summers Street, Fifth Floor
Charleston, West Virginia 25301

Re: The Board of Education of the County of Putnam, West Virginia, Public School
Bonds, Series 2010

Dear Mr. Kirby:

Pursuant to your request, I hereby designate United Bank, Inc., of Charleston, West Virginia, to serve as Registrar for the above-named issue.

If there are any questions concerning this designation, feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "John".

John D. Perdue
State Treasurer

LAW OFFICES

GOODWIN & GOODWIN, LLP

300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-6778

P. O. Box 2107
CHARLESTON, WEST VIRGINIA 25328-2107

TELEPHONE (304) 346-7000
TELECOPIER (304) 344-9692

www.goodwingoodwin.com

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

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

March 23, 2010

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

Re: \$56,750,000 The Board of Education of the County of Putnam
Public School Bonds, Series 2010

Dear Ms. Boardman:

Enclosed please find the New Issue Report Form that has been prepared in connection with the above-referenced transaction and sent to you for filing in your office in regard to the same. Upon completion of the transcript, we will forward a copy to you for your reference. In the meantime, if you have any questions concerning this transaction, please feel free to contact me.

Sincerely yours,



William K. Bragg, Jr.

WKB/aks
Enclosure

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street, Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM
Date of Report: March 23, 2010

ISSUE: Putnam County Board of Education
Public School Bonds, Series 2010
ADDRESS: 9 Courthouse Drive
Winfield, WV 25213 COUNTY: Putnam
PURPOSE: New Money X
OF ISSUE: Refunding ___ Refunds issue dated: N/A
ISSUE DATE: March 24, 2010 CLOSING DATE: March 24, 2010
ISSUE AMOUNT: \$56,750,000 RATE: 3.19604%
1ST DEBT SERVICE DUE: November 1, 2010 1ST PRINCIPAL DUE: May 1, 2011
1ST DEBT SERVICE AMOUNT: \$1,294,163.89 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Goodwin & Goodwin, LLP
Contact Person: W.K. Bragg, Jr.
Phone: (304) 346-7000

FINANCIAL ADVISOR: Scott &
Stringfellow LLC
Contact Person: David Kirby
Phone: (304) 357-6508

REGISTRAR: United Bank, Inc.
Contact Person: Kathy Smith
Phone: (304) 348-8427

ISSUER'S COUNSEL : Bowles Rice
McDavid Graff & Love LLP
Contact Person: Edward D. McDevitt
Phone: (304) 347-1711

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Harold Hatfield
Position: Superintendent
Phone: (304) 586-0500

-----DEPOSITS TO MBC AT CLOSE:-----

___ Accrued Interest: \$0
___ Capitalized Interest: \$0
___ Wire ___ Reserve Account: \$0
___ Check ___ Other: _____ \$ _____

-----REFUNDS & TRANSFERS BY MBC AT CLOSE:-----

By ___ Wire ___ To Escrow Trustee: \$ N/A
___ Check ___ To Issuer: \$ N/A
___ IGT ___ To Cons. Invest. Fund: \$ N/A
___ Other: _____ \$ _____

Notes: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS

REQUIRED: _____

TRANSFERS

REQUIRED: _____

REVISED

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

The Board of Education of the County of Putnam (West Virginia)
(Name of Issuer and Co-Issuer(s), if applicable)

Public School Bonds, Series 2010
(Security Description, including series designation if applicable)

746690cc8, cd6, ce4, cf1, cg9, ch7, cj3, ck0, cl8, cm6, cn4, cp9, cq7, cr5, cs3
(CUSIP Number(s) of the Securities)

March 10, 2010
(Date)

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

Ladies and Gentlemen:

This letter sets forth our understanding with respect to the Securities represented by the CUSIP number(s) referenced above (the "Securities"). Issuer requests that The Depository Trust Company ("DTC") accept the Securities as eligible for deposit at DTC.

Issuer is: (Note: **Issuer must represent one and cross out the other.**)

~~[incorporated in]~~ [formed under the laws of] The State of West Virginia

The DTC Clearing Participant Citigroup Global Markets, Inc. will distribute the Securities through 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.

Very truly yours,

The Board of Education of the County of Putnam
(West Virginia)
(Issuer)

By: *Harold L. Hatfield*
(Authorized Officer's Signature)

Harold L. Hatfield, Secretary
(Print Name)

9 Courthouse Drive
(Street Address)

Winfield, WV USA 25526
(City) (State) (Country) (Zip Code)

304 586 0500
(Phone Number)

hhatfield@access.k2.wv.us
(E-mail Address)

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By: _____



The Depository Trust & Clearing Corporation

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

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

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

Public School Bonds, Series 2010

(Security Description, including series designation if applicable)

746690cc8, cd6, ce4, cf1, cg9, ch7, cj3, ck0, cl8, cm6, cn4, cp9, cq7, cr5, cs3

(CUSIP Number(s) of the Securities)

March 10, 2010

(Date)

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

Ladies and Gentlemen:

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Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By 

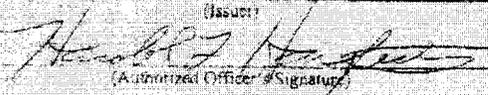


The Depository Trust &
Clearing Corporation

Very truly yours,

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

(Issuer)

By 

(Authorized Officer/Signature)

Harold L. Hatfield, Secretary

(Print Name)

9 Courthouse Drive

(Street Address)

Winfield
(City)

WV
(State)

USA
(Country)

25526
(Zip Code)

304 586 0500

(Phone Number)

hhatfield@access.k2.wv.us

(E-mail Address)

ILOR 03/25/08

\$56,750,000
THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2010

CONTINUING DISCLOSURE CERTIFICATE

The Board of Education of the County of Putnam, West Virginia (the "Issuer") hereby certifies in connection with the \$56,750,000 aggregate principal amount of The Board of Education of the County of Putnam (West Virginia), Public School Bonds, Series 2010 (the "Bonds"). The Bonds are being issued pursuant to a Resolution and Order approved by the Issuer on February 15, 2010 (the "Resolution"). The Issuer covenants and agrees, as follows:

SECTION 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Issuer 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 Certificate unless otherwise defined in this Section, 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")), provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, 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 Issuer'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 the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"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 Certificate.

“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, effective as of July 1, 2009.

“Repository” shall mean each National Repository and the State Repository.

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

“State” shall mean the State of West Virginia.

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

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer’s fiscal year (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2010, provide to each Repository Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Certificate. 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 Certificate. If the Issuer's fiscal year changes, the Issuer 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 Issuer shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Issuer shall send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Financial Information and Audited Financial Statements the name and address of each Repository; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Financial Information and Audited Financial Statements have been provided pursuant to this Certificate, stating the date it was provided and listing the Repositories to which it was provided.

(d) Effective on July 1, 2010 and thereafter, all documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic formant and shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. The Issuer's Annual Financial Information and Audited Financial Statements shall contain or include by reference the following:

(a) Within ninety (90) days after receipt by the Issuer of the Issuer's fiscal year ended June 30, 2010 fiscal year and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, unaudited general purpose financial statements of the Issuer, and

(b) Within two hundred seventy (270) days of the Issuer's fiscal year ended June 30, 2010, and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, such information and data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) actual data of the type found in the Official Statement under the caption "CERTAIN FINANCIAL INFORMATION – School District's Revenues and Expenses."

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 Issuer or related public entities, which have been submitted to each of the Repositories 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 Issuer 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 Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, except as provided by the Resolution;

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected the Bonds pursuant to the Resolution.

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

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

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

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

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

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

In the event of any amendment or waiver of a provision of this Certificate, the Issuer 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 Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate 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 Certificate. If the Issuer 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 Certificate, the Issuer shall have no obligation under this Certificate 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 Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: March 24, 2010

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

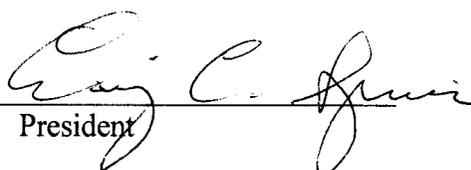
By: 
President

Exhibit A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Putnam
Name of Issue: \$56,750,000 The Board of Education of the County of Putnam
 (West Virginia), Public School Bonds, Series 2010
Date of Issuance: March 24, 2010

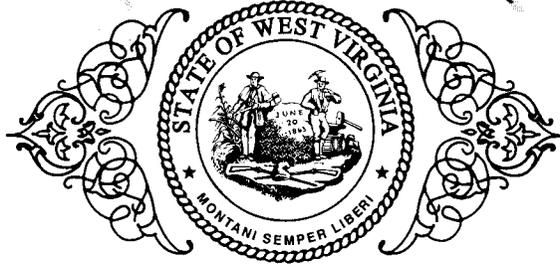
Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this ___ day of _____, 20__.

THE BOARD OF EDUCATION OF THE COUNTY OF PUTNAM

By: _____
 President

State of West Virginia



Certificate

*I, Natalie E. Tennant, Secretary of State of the
State of West Virginia, hereby certify that*

THIS IS A TRUE COPY OF CHAPTER 13, ARTICLE 1 OF THE WEST
VIRGINIA CODE, AND CHAPTER 13 ARTICLE 1 OF THE 2009 SUPPLEMENT
TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS
OFFICE.



*Given under my hand and the
Great Seal of the State of
West Virginia on
September 10, 2009*

Natalie E. Tennant
Secretary of State

ARTICLE 1

BOND ISSUES FOR ORIGINAL INDEBTEDNESS

- Section**
- 13-1-1. Political divisions authorized to issue and sell bonds.
 - 13-1-1a. Exemption from interest rate ceilings.
 - 13-1-2. Purposes for which bonds may be issued.
 - 13-1-3. Amount and purpose of indebtedness for which bonds may be issued.
 - 13-1-4. Bond issue proposal to be submitted to voters; election order.
 - 13-1-5. Engineer's estimate.
 - 13-1-6. Bonds may be specified for more than one purpose; single or general purpose defined.
 - 13-1-6a. When proceeds of bond issue specified for one project may be used for another project.
 - 13-1-7. When election to be held.
 - 13-1-8. Publication of notice of election.
 - 13-1-9. Registration of voters.
 - 13-1-10. Election precincts.
 - 13-1-11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks.
 - 13-1-12. Form of ballot.
 - 13-1-13. Time and manner of canvassing returns.
 - 13-1-14. Resolution authorizing issuance and fixing terms of bonds.
 - 13-1-15. Bonds to be payable in annual installments.
 - 13-1-15a. Bonds may be subject to redemption.
 - 13-1-16. Recital of certification that bonds are issued in conformity with Constitution and statutes; effect thereof with attorney general's indorsement.
 - 13-1-17. Bonds may be registered; coupon bonds may be registered as to principal.
 - 13-1-18. Registration of coupon bonds as to interest; exchange of registered bond for coupon bond.
 - 13-1-19. Signing, sealing and delivery of bonds and coupons.
 - 13-1-20. Imposition and collection of tax to pay bonds and interest.
 - 13-1-21. Advertisement and sale of bonds.
 - 13-1-22. Purposes for which proceeds to be used; purchaser need not see to application thereof.
 - 13-1-23. No law, order, ordinance, resolution, proceeding or publication necessary except as prescribed by this article.
 - 13-1-24. Legal status of bonds.
 - 13-1-25. Copy of proceedings to be transmitted to attorney general for approval or disapproval; publication of approval or disapproval.
 - 13-1-26. Review in supreme court of appeals of action of attorney general.
 - 13-1-27. Bond issue and tax to pay bonds to be incontestable upon failure to file petition for review or dismissal thereof.
 - 13-1-28. Indorsement on bonds by attorney general.
 - 13-1-29. Costs of proceedings and expenses of attorney general to be paid out of proceeds of bonds or general fund.
 - 13-1-30. Files and records to be kept by attorney general.
 - 13-1-31. Proceedings to issue bonds under authority of prior statutes; debts heretofore incurred.
 - 13-1-32. Amount of indebtedness authorized by § 13-1-3 may be increased by special act as to municipalities and independent school districts; bonds for assessments against abutting property excepted from this article.
 - 13-1-33. Bonds exempt from taxation.

Section

- 13-1-34. Bonded indebtedness of school districts; annual tax to be levied and collected to pay same; definition of value.
- 13-1-35. Bonded indebtedness of counties, magisterial districts and municipal corporations; levy and collection of taxes to pay same.

§ 13-1-1. Political divisions authorized to issue and sell bonds

Any county, by and through its county court, either for and on behalf of the county or for and on behalf of any magisterial district, or group of magisterial districts therein; any municipal corporation, by and through its council or other governing body in lieu thereof; or any school district, or any independent school district, by and through its board of education or other fiscal body in lieu thereof, may issue and sell its bonds, in the manner and subject to the limitations and conditions hereinafter contained in this article.

Acts 1923, c. 14, § 1.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

- Counties ⇨173.
- Municipal Corporations ⇨906.
- Schools ⇨97(1).
- Westlaw Key Number Searches: 104k173; 268k906; 345k97(1).

Encyclopedias

- C.J.S. Municipal Corporations §§ 1645 to 1646, 1702.
- C.J.S. Schools and School Districts §§ 522, 524, 527 to 529, 531.

Notes of Decisions

Mandamus 2

Municipal powers and duties 1

1. Municipal powers and duties

City council would be justified in refusing to submit bond issue ordinance to voters under general state law where petition did not comply with statute inasmuch as no specification of amount of bonds to be issued and voted upon was contained in petition, which described amount only in terms of difference between cost of project and other funds available. Code, 13-1-1 et seq. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Municipal Corporations ⇨ 918(2)

Statute authorizing taxing unit to issue bonds for governmental purposes pursuant to local popular vote held not repealed by statute allocating approximately 30 per cent. of direct levies authorized under constitutional tax limitation amendment to governmental bonded indebtedness created prior thereto, and approximately 70 per cent. thereof to

current government expenses. Code 1931, 13-1-1 et seq.; Acts 1933, 2d Ex.Sess., c. 67; Const. art. 10, § 8; art. 10, § 1, amended (see Acts 1932, Ex.Sess., c. 10). Walker v. City of Charleston, 1935, 182 S.E. 766, 116 W.Va. 645. Municipal Corporations ⇨ 907

Municipality may issue bonds for governmental purposes pursuant to popular vote, notwithstanding constitutional tax limitation amendment. Code 1931, 13-1-1 et seq; Const. art. 10, § 8; art. 10 § 1, amended (see Acts 1932, Ex.Sess., c. 10). Walker v. City of Charleston, 1935, 182 S.E. 766, 116 W.Va. 645. Municipal Corporations ⇨ 918(1)

2. Mandamus

Petitioners who, by petition designated as one under city charter, sought submission of bond issue question to election were not entitled to mandamus to compel submission in accordance with initiative provision of general state law. Code, 13-1-1 et seq., 13-1-4. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Mandamus ⇨ 74(2)

§ 13-1-1a. Exemption from interest rate ceilings

Notwithstanding any other provision in this Code to the contrary, any municipality, county or state agency shall be free of interest rate restrictions

when obtaining loans from the farmers home administration, housing and urban development and the economic development authority where such loans are made from federal moneys and are made for public projects. It is the intention of the legislature that the political subdivisions of this State take maximum possible advantage of federal programs and financing alternatives where such would be in the best interests of this State.

Acts 1982, c. 93.

§ 13-1-2. Purposes for which bonds may be issued

Debt may be incurred and bonds issued under this article for the purpose of acquiring, constructing and erecting, enlarging, extending, reconstructing or improving any building, work, utility or undertaking, or for furnishing, equipping and acquiring or procuring the necessary apparatus for any building, work, improvement or department, or for establishing and maintaining a library or museum for the public use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theaters, or for other similar corporate purpose, for which the political division is authorized to levy taxes or expend public money. But no bonds shall be issued for the purpose of providing funds for the current expenses of any body or political division. Interest accruing during the construction period, that is to say, the time when an improvement is under construction and six months thereafter, shall be deemed a part of the cost of the improvement, and shall not be deemed current expenses. All engineering and inspection costs, including a proper proportion of the compensation, salaries and expenses of the engineering staff of the political division properly chargeable to any work or improvements, as determined by the governing body, or the estimated amount of such costs, shall be deemed part of the cost of an improvement. All costs and estimated costs of the issuance of bonds shall be deemed a part of the cost of the work or improvement, or of the property, or of the carrying out of the purposes for which such bonds are to be issued. The power to acquire or construct any building, work or improvement as herein provided shall be deemed to include the power to acquire the necessary lands, sites and rights-of-way therefor.

Bonds may also be issued by any municipality having a population of fifty thousand or more or by any county for the purpose of acquiring land and constructing a building or buildings for use and occupancy as a college. The proposal for such a bond issue shall contain a provision that there shall be created a commission or committee for the purpose of operating the building or buildings and for renting the same for an amount sufficient to pay the interest and sinking fund on the bonds proposed to be issued, and shall contain a further provision that in the event a sufficient amount is not realized from rent or rents for the purpose of meeting the debt service, then the city or county shall lay a levy for such purpose in an amount sufficient within the constitutional and statutory limitation to pay the interest and principal on such bonds as the same become due and payable. The proposal may also contain a provision

that when the bonds and the interest thereon shall have been paid, then the title to the land and the building or buildings situated thereon may be transferred to the college to which the same have been rented.

Acts 1923, c. 14, § 2; Acts 1941, c. 8; Acts 1945, c. 17; Acts 1974, c. 8.

Library References

Key Numbers

Counties ⇨ 173.2 to 175.
 Municipal Corporations ⇨ 910 to 913.
 Schools ⇨ 97.
 Westlaw Key Number Searches: 104k173.2 to 104k175; 268k910 to 268k913; 345k97.

Encyclopedias

C.J.S. Counties §§ 218, 220.
 C.J.S. Municipal Corporations §§ 1647 to 1651, 1653.
 C.J.S. Schools and School Districts §§ 522 to 524, 527 to 529.

Notes of Decisions

In general 1
Mandamus 3
Public purpose 2

Hedrick v. Summers County Court, 1913, 77 S.E. 359, 71 W.Va. 732. Bridges ⇨ 11

1. In general

Under Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), a county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(1)

Acts 1911, c. 38, § 25a, Code 1913, c. 43, § 56a (section 1793), authorizing the issuance of bonds for road improvement, does not impliedly repeal the limitation imposed by Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495). Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(1)

An issue of magisterial district bonds under Acts 1911, c. 38, § 25a, not solely for the construction of roads in the district, but largely for the construction or purchase of bridges therein, exceeding five feet in length, is illegal and void.

2. Public purpose

A town cannot constitutionally be authorized to issue bonds to be paid by taxation and donate them in aid of a manufacturing and mining enterprise; that not being a municipal or public purpose. Ohio Valley Iron Works v. Town of Moundsville, 1877, 11 W.Va. 1. Municipal Corporations ⇨ 910

3. Mandamus

Mandamus to require county court to reimburse road bond fund, depleted by illegal expenditures, out of funds thereafter to be raised, will be denied (Barnes' Code 1923, c. 28A, § 12). State v. County Court of Lincoln County, 1928, 141 S.E. 874, 105 W.Va. 235. Mandamus ⇨ 16(1)

A mandamus nisi, sued out to compel the levy of a tax for the payment of an unauthorized issue of bonds by a town, should be dismissed. Ohio Valley Iron Works v. Town of Moundsville, 1877, 11 W.Va. 1. Mandamus ⇨ 112.1

§ 13-1-3. Amount and purpose of indebtedness for which bonds may be issued

No political division authorized by this article to issue bonds, except county boards of education, shall by any bond issue, become indebted to an amount, including all other indebtedness, exceeding two and one-half percent of the value of the taxable property therein, as shown by the last assessment thereof, for state and county purposes, next prior to the issuing of such bonds: Provided, that any county for the erection and equipment of a courthouse and/or jail for such county, with funds borrowed from the government of the United States or any governmental agency, federal or state, and any municipal corporation of three hundred inhabitants or more, for the purpose of grading, paving, sewerage, and otherwise improving or reimproving its streets and alleys, or for establishing and maintaining a library or museum for the public

use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theaters, may become indebted and issue bonds in an additional sum not exceeding two and one-half percent of the value of the taxable property therein, ascertained as aforesaid: Provided, however, That no county board of education authorized by this article to issue bonds, shall, by any bond issue, become indebted, in any manner, or for any purpose, to an amount, including all other indebtedness, in the aggregate, exceeding five percent on the value of the taxable property therein, in the county school district to be ascertained by the last assessment for state and county taxes, previous to the incurring of such indebtedness, in the manner provided by the "School Bond Amendment," as ratified.

The term "sewering" as used herein shall be treated in a comprehensive sense, so as to include all mains, laterals, connections, traps, incinerating and disposal plants, and other necessary and convenient accessories to a modern sanitary and efficient sewerage system and shall include storm sewers.

The county court of any county is hereby authorized and empowered to negotiate and sell to the government of the United States or to any governmental agency, federal or state, at private sale, at not less than par any bonds issued for the purpose of erecting and equipping a courthouse or other public buildings for such county, under and by virtue of this article, without first offering them for sale at public auction, or to any other person or agency.

Acts 1923, c. 14, § 3; Acts 1925, c. 42; Acts 1927, c. 58; Acts 1931, c. 36; Acts 1935, c. 21; Acts 1941, c. 8; Acts 1945, c. 17; Acts 1951, c. 153; Acts 1974, c. 8.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Cross References

Election to increase levies, vote required, amount and continuation of additional levy, issuance of bonds, see § 11-8-16.

Taxation and finance, constitutional provisions, see Const. Art. 10 § 1.

Library References

Key Numbers

Counties ⇨173.1.
 Municipal Corporations ⇨914.
 Schools ⇨97(3).
 Westlaw Key Number Searches: 104k173.1;
 268k914; 345k97(3).

Encyclopedias

C.J.S. Counties § 219.
 C.J.S. Municipal Corporations §§ 1654, 1656 to 1657.
 C.J.S. Schools and School Districts §§ 525 to 526.

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1. Validity

Statute prohibiting bond issue by county increasing indebtedness to amount, exceeding 2½ per cent., of value of taxable property in county,

held valid, notwithstanding constitutional limitation on indebtedness. Code 1931, 13-1-3; Const. art. 10, § 8. *Sanders v. Raleigh County Court*, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⇨ 173.1

2. Validity of related laws

Acts of 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), limiting the indebtedness of counties, etc., to 2½ per cent. of the assessed value of the taxable property, held not violative of Const. art. 10, § 8, Code 1913, p. cxviii, providing that such indebtedness shall not exceed 5 per cent. *Pfalzgraf v. Wood County Court*, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(1)

3. Construction and application

Original voter mandate on approving school bond issue, which required voters to be advised and to approve of key elements of original bond issue, determines maximum amount of indebtedness allowable under a financing plan involving refunding bonds, which indebtedness is calculated by adding to original principal amount of bonds authorized the accrued interest that would be paid on the original bonds over their maturity, and from that total, there must be deducted amounts of principal and interest paid on the original bond issue to reach the net amount available for financing plan involving refunding bonds. Code, 13-1-4. *Board of Educ. of Hancock County v. Slack*, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(3)

Constitutional and statutory limitations on indebtedness of distinct political subdivisions, such as counties, school districts, and municipal corporations, apply distributively and not collectively (Code 1931, § 13-1-3; Const. art. 10, § 8). *Sanders v. Raleigh County Court*, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⇨ 150(1)

Acts 1911, c. 38, § 25a, Code 1913, c. 43, § 56a (section 1793), authorizing the issuance of bonds for road improvement, does not impliedly repeal the limitation imposed by Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495). *Pfalzgraf v. Wood County Court*, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(1)

4. Constitutional rights and obligations

Const. art. 10, § 8, Code 1913, p. cxviii, does not authorize or recognize a pre-existent right in counties, etc., to incur indebtedness, but merely imposes a limitation. *Pfalzgraf v. Wood County Court*, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(1)

Section 8 of article 10 of the Constitution, Code 1913, p. cxviii, does not grant to counties, cities, school districts, and municipal corporations the right to incur indebtedness to the extent of 5 per cent. of the assessed value of the taxable property therein, nor recognize such

right in them as pre-existent. *Pfalzgraf v. Wood County Court*, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(3)

5. Debt load of subordinate governmental units

Political divisions of state, such as counties, may not incur obligations in amounts exceeding legally available revenue from taxes raised by valid levies or other legally authorized sources. *State ex rel. Mercer County Court v. Partlow*, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⇨ 149

Outstanding indebtedness of magisterial districts within county held indebtedness of county as basis for determining whether proposed bond issue exceeds limitation on indebtedness. Code 1931, 13-1-3; Const. art. 10, § 8. *Sanders v. Raleigh County Court*, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⇨ 150(3)

Outstanding indebtedness of school districts and municipal corporations within county held not indebtedness of county as basis for determining whether proposed bond issue exceeds limitation on indebtedness. Code 1931, 13-1-3; Const. art. 10, § 8. *Sanders v. Raleigh County Court*, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⇨ 150(3)

Under Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), a county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. *Pfalzgraf v. Wood County Court*, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(1)

A county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. *Pfalzgraf v. Wood County Court*, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⇨ 150(3)

6. Bonds approved in excess of debt limit

The 1939 act, giving effect to 1932 tax limitation constitutional amendment, prohibited county's creation of bonded indebtedness exceeding amount of principal and interest payable annually during existence of debt from funds made available for such purpose by maximum tax rates levied annually on specified classes of property, and hence invalidated county's proposed airport bond issue in amount exceeding such limit, though approved by required three-fifths majority of county's qualified voters. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. *State ex rel. Mercer County Court v. Partlow*, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⇨ 149

Generally, bonds of political division, such as county, for amount exceeding its debt limita-

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tion, are void. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⇔ 150(1)

§ 13-1-4. Bond issue proposal to be submitted to voters; election order

No debt shall be contracted or bonds issued under this article until all questions connected with the same shall have been first submitted to a vote of the qualified electors of the political division for which the bonds are to be issued, and shall have received three fifths of all the votes cast for and against the same. The governing body of any political division referred to in this article may, and when requested so to do by a petition in writing, praying that bonds be issued and stating the purpose and amount thereof, signed by legal voters of the political division equal to twenty percent of the votes cast in a county or magisterial district for governor, or in a municipal corporation or school district for mayor or members of the board of education, as the case may be, shall, by order entered of record, direct that an election be held for the purpose of submitting to the voters of the political division all questions connected with the contracting of debt and the issuing of bonds. Such order shall state:

- (a) The necessity for issuing the bonds, or, if a petition has been filed as provided herein, that such petition has been filed;
- (b) If for the construction of a county-district road or bridge thereon, a summary of the engineer's report provided for in the following section setting forth the approximate extent and the estimated cost of the proposed improvement, and the kind or class of work to be done thereon;
- (c) Purpose or purposes for which the proceeds of bonds are to be expended;
- (d) Valuation of the taxable property as shown by the last assessment thereof for state and county purposes;
- (e) Indebtedness, bonded or otherwise;
- (f) Amount of the proposed bond issue;
- (g) Maximum term of bonds and series;
- (h) Maximum rate of interest;
- (i) Date of election;
- (j) If a special election, names of commissioners for holding same;
- (k) If registration of voters is necessary, notice of the time, place and manner of making same;
- (l) That the levying body is authorized to lay a sufficient levy annually to provide funds for the payment of the interest upon the bonds and the principal at maturity, and the approximate rate of levy necessary for this purpose;
- (m) In the case of school bonds, that such bonds, together with all existing bonded indebtedness, will not exceed in the aggregate five percent of the value of the taxable property in such school district ascertained in accordance with section 8, article X of the Constitution; and that such bonds will be payable

from a direct annual tax levied and collected in each year on all taxable property in such school district sufficient to pay the principal and the interest maturing on such bonds in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax may be levied outside the limits fixed by section 1, article X of the Constitution.

Any other provision which does not violate any provision of law, or transgress any principle of public policy, may be incorporated in the order.

Acts 1923, c. 14, § 4; Acts 1951, c. 153; Acts 1959, c. 132.

Cross References

Election to increase levies, vote required, amount and continuation of additional levy, issuance of bonds, see § 11-8-16.

Library References

Key Numbers

Counties ⇨ 178.
Municipal Corporations ⇨ 918.
Schools ⇨ 97(4).
Westlaw Key Number Searches: 104k178;
268k918; 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1664, 1672.
C.J.S. Schools and School Districts §§ 532 to
545.

Notes of Decisions

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1. In general

Activity of chamber of commerce in an attempt, in a proper way, to influence county court to submit bond issue for acquisition or construction of an airport was insufficient to invalidate bond issue. Code 1931, 13-1-4. *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 183(1)

The fact that a commercial or civic organization may interest itself in advocating public improvements should not be permitted to detract from merits of project or affect legality of

any action of public officials influenced thereby unless such influence is exerted in an improper way and can be said to amount to an improper control of acts of such officials. Code 1931, 13-1-4. *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Municipal Corporations ⇨ 316

2. Statutory compliance

The statute requiring that county voters be correctly advised as to all existing indebtedness, bonded and otherwise, at time proposed bond issue is submitted to voters is mandatory and calls for utmost good faith in its compliance on part of county court. Code 1931, 13-1-4(e). *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 178

3. Validity of voting requirements

Any departure from strict majority rule gives disproportionate power to minority, but state constitutional and statutory requirement that 60% of voters in referendum election approve bonded indebtedness or tax increase by political subdivision did not violate equal protection clause merely because votes of those who favored issuance of bonds would have proportionately smaller impact on outcome of election than votes of those who opposed issuance of bonds. U.S.C.A. Const. Amend. 14; Const. Ind.

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art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⇨ 232(2)

A provision requiring unanimity or giving veto power to a very small group might or might not be constitutional, but West Virginia Constitution and statutory provisions, applicable to all bond referenda and requiring strong consensus of three-fifths before indebtedness would be authorized, did not violate equal protection clause or any other provision of Constitution. U.S.C.A.Const. Amend. 14; Const.Ind. art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⇨ 232(2)

Three-fifths vote requirement of West Virginia Constitution and statutes dealing with elections held by political subdivisions of the state for determination of whether bond indebtedness should be incurred, and 60 percent vote requirement provided by West Virginia Constitution relating to elections to authorize local tax levying bodies to make additional levies for tax purposes in excess of levies provided for in Tax Limitation Amendment, conflict with and violate the Equal Protection Clause of United States Constitution and are therefore unconstitutional and unenforceable. Const. art. 10, §§ 1, 8; Code, §§ 11-8-16, 13-1-4, 13-1-14; U.S.C.A.Const. Amend. 14. Lance v. Board of Ed. of Roane County, 1969, 170 S.E.2d 783, 153 W.Va. 559, certiorari granted 90 S.Ct. 1264, 397 U.S. 1020, 25 L.Ed.2d 530, reversed 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ⇨ 11

4. Interest

Special bond levy is set annually based upon current year's appraised values, as evidenced by statute requiring bond-issuing authority to pay annually interest on such debt and principal thereof falling due in each year, such tax to be levied and collected by same officers, at same time and in same manner as the general taxes of the political division. Code, 13-1-4, 13-1-20. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 106

5. Necessity for submission of proposal

Statute providing that city council, when requested by petition signed by at least 20% of legal voters, shall direct that election be held to determine all questions connected with contracting of debt and issuing of bonds is mandatory; thus, upon petition signed by sufficient number of legal voters, city council had mandatory duty to call election to determine if city should contract debt and issue general obli-

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gation bonds for acquiring land and constructing municipal auditorium building even if federal money was no longer available. Code, 13-1-4. State ex rel. Elliott v. Adams, 1971, 181 S.E.2d 276, 155 W.Va. 110. Municipal Corporations ⇨ 918(1)

6. Notice of election

Where, within 7 days after entry of an order of county court submitting to voters a proposition to issue bonds to build a public road, and more than 30 days before the day appointed for election, the clerk posts in his office and at the front door of the courthouse copies of such order, considering the nature of the duty, there has been substantial compliance with the statute requiring copies of such order to be posted forthwith. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⇨ 90

Where the clerk of a bond issue election to construct a road, in his affidavit filed with the Attorney General, made a mistake as to the time of the posting of the notice of election, such mistake will not be regarded, on appeal from an order of approval by the Attorney General of the bond authorized, especially where the error is corrected by a minute affidavit filed on appeal. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⇨ 90

7. Contents of election order

School board was not required by statute to include proposed maturity schedule for original bonds in its election order. Code, 13-1-4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(4)

Statute requiring valuation of taxable property, as shown by last assessment thereof for state and county purposes, to be placed in an election order concerning bond approval was designed to give information to voters as to value of property on which levy rates for liquidation of bonds and their interest would be based. Code, 13-1-4(d). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(4)

Where original bond issue was to be liquidated by funds obtained through a special property tax levy which voters approved at bond authorization election, it was necessary that voters be given some approximation of the amount of increased rate of taxation arising from the special levy. Code, 13-1-4(d). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(4)

School board was not strictly bound to follow maturity schedule set out in election order regarding bonds as long as projected plan remained within limits set by voters. Code, 13-1-4. Board of Educ. of Hancock County v.

Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(9)

Action of common council in placing money received from sale of real estate and donations in general fund was not beyond authority of council, and order submitting question of approval of proposed bond issue for purchase of realty and construction of fire hall to voters was not objectionable because order did not expressly state that revenue of city for fiscal year, after excluding named items, would be sufficient to include its necessary operating expense and to provide for its bonded indebtedness. Code, 13-1-4, 13-1-26. *Baxa v. Partlow*, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 886

Municipal bond issue proposal submitted to voters by common council, was not required to contain statement that city would be provided with sufficient revenue to pay its costs and keep aggregate levies within legal limits, including those authorized to satisfy bonded indebtedness authorized by election order. Code, 13-1-4, 13-1-26. *Baxa v. Partlow*, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 918(2)

Under statute requiring that an order submitting approval of bond issues to vote of people state approximate rate of levy necessary to meet sinking fund requirements, such rate of levy must be substantially complied with. Code, 13-1-4. *Baxa v. Partlow*, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 918(5)

Where purpose of county court, when it submitted bond issue to voters, was to establish, acquire and construct an airport, but one project or purpose was contemplated, and statute providing that where a bond issue is to be used for more than one purpose the order submitting question to voters shall contain statement of amount to be used for each of purposes specified had no application. Code 1931, 13-1-6. *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 178

8. Departures from provisions of election order

Where voters of city approved bond issue at specific rate of levy, subsequent ordinance passed by common council stating that rate of levy could be exceeded when necessary was invalid and ordinance did not invalidate bond issue. Code, 13-1-4. *Baxa v. Partlow*, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 918(5)

9. Absentee ballots

Where absentee ballots under consideration were not challenged though subject to challenge, there was no showing of fraud in connection with preparation of ballots or that any

voters were not qualified to cast absentee ballots, nor showing that election was not fair, and purpose of absentee voter's signature on declaration, to allow comparison of the voter's signature on ballot with his signature on poll book, was served by absentee voter's signed application for ballot, failure of circuit court clerk to provide for each absentee voter a return envelope bearing a printed declaration, and failure of voter to sign such declaration, did not render absentee ballots cast in school board levy election invalid. Acts 1963, c. 64, art. 3, § 6; Acts 1970, c. 28, art. 3, § 3; Const. art. 4, § 1. *State ex rel. Heavener v. Perry*, 1971, 184 S.E.2d 136, 155 W.Va. 353. Schools ⇨ 103(2)

10. Judicial powers and duties

Under statutory proceeding for review of Attorney General's approval or disapproval of bond issues, court generally will not undertake supervision of expenditure of funds to be procured as result of bond issue. Code, 13-1-4. *Baxa v. Partlow*, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 917(2)

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⇨ 6

11. Court ordered submission to electorate

Where county court in submitting proposed bond issue to voters declared that county had no indebtedness, bonded or otherwise, except current obligations, overdraft in the county fund representing moneys spent in years prior to current fiscal year, which was an indebtedness illegally created, was not a "current expense", and statement was incorrect. Code 1931, 13-1-4(e); Acts 1933, 2d Ex.Sess., c. 67, § 26. *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 178

Where order of the county court in calling special election to pass upon bond issue did not correctly state financial status of county as required by statute, election was void notwithstanding that had status been correctly presented it would have appeared in a light more favorable to county than that incorrectly stated in court's order. Code 1931, 13-1-4(e). *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 178

An order of a county court submitting to the voters a proposition to issue bonds to build a road embodied therein the petition filed by the requisite number of voters and also the report of the road engineer thereon. The petition describes the proposed road as, "Beginning at or

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near mouth of Hurricane, at hard road from Spencer, Walton to Clendenin, thence the most economical and practical route to intersect the state road from Clay, W.Va., to Spencer, W.Va.," and the report of the engineer designates the road as running from "Hurricane to Newton," and gives the length in miles thereof. There was no such uncertainty in the order of submission as to the location of the proposed road as to render the order of submission, or the election held thereunder, void, or to justify this court in nullifying the approval by the attorney general of the bonds authorized for the construction of the road. *Vineyard v. Roane County Court*, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⇨ 90

12. Contesting election

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. *Sessler v. Partlow*, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⇨ 107

13. Approval of illegal bond proposal

The 1939 act, giving effect to 1932 tax limitation constitutional amendment, prohibited county's creation of bonded indebtedness exceeding amount of principal and interest payable annually during existence of debt from funds made available for such purpose by maximum tax rates levied annually on specified

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classes of property, and hence invalidated county's proposed airport bond issue in amount exceeding such limit, though approved by required three-fifths majority of county's qualified voters. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. *State ex rel. Mercer County Court v. Partlow*, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⇨ 149

County voters' approval of issuance of airport bonds in amount of \$1,100,000, which exceeded county's constitutional and statutory debt limitation, did not authorize issuance of proposed bonds in legal amount of \$600,000, though election ballots mentioned bonds to such larger amount, such phraseology meaning same as bonds in such amount. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. *State ex rel. Mercer County Court v. Partlow*, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⇨ 178

14. Mandamus

Petitioners who, by petition designated as one under city charter, sought submission of bond issue question to election were not entitled to mandamus to compel submission in accordance with initiative provision of general state law. Code, 13-1-1 et seq., 13-1-4. *State ex rel. Horne v. Adams*, 1970, 175 S.E.2d 193, 154 W.Va. 269. Mandamus ⇨ 74(2)

City of Wheeling will not be compelled by mandamus to call election on issuance of bonds for constructing bridge under ordinances not complying with statute (Acts 1923, c. 14; Charter of City of Wheeling, §§ 31, 83, 84). *State v. Steen*, 1928, 145 S.E. 602, 106 W.Va. 325. Mandamus ⇨ 74(2)

§ 13-1-5. Engineer's estimate

Before ordering an election on the question of issuing bonds to construct a county-district road or bridge, whether acting on its own motion or on petition, the county court shall instruct the county road engineer, or some other engineer designated by it for the purpose, to make an investigation and furnish to the court an estimate of the probable cost of the proposed improvement.

Acts 1923, c. 14, § 5.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⇨ 177.

Westlaw Key Number Search: 104k177.

Encyclopedias

C.J.S. Counties § 221.

§ 13-1-6. Bonds may be specified for more than one purpose; single or general purpose defined

The order or ordinance submitting the proposition of issuing bonds to a vote may specify more than one purpose for which bonds are to be issued: Provided, That the amount of the proceeds of the issue to be used for each purpose shall also be specified therein: Provided further, That all expenditures, including but not limited to expenditures for the acquisition of sites, the construction, erection, equipping and furnishing of one or more buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, and the relocation, alteration, renovation or enlargement of any existing buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, for the same general purpose shall be construed to be a single purpose within the meaning of this section. It shall not be necessary to specify in the order or ordinance submitting the proposition the amount of the proceeds of such bond issue to be used for each such site, building, structure, improvement or facility, or group of buildings, structures, improvements or facilities, which are a part of the same general purpose and it shall be sufficient compliance with this section if such order or ordinance state only the general purposes for which bonds are to be issued and the amount of the proceeds of such issue to be used for each such general purpose.

Acts 1923, c. 14, § 6; Acts 1965, c. 125.

Library References

Key Numbers

Counties ⇨178.

Municipal Corporations ⇨918(2).

Schools ⇨97(4).

Westlaw Key Number Searches: 104k178;
268k918(2); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.

C.J.S. Municipal Corporations §§ 1666 to
1669.

C.J.S. Schools and School Districts §§ 532 to
545.

Notes of Decisions

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1. In general

Where ordinance submitting to vote of the people a proposed bond issue embraces several projects and, as required by statute, specifies the amount for each project, a substantial variance between the amounts stated in ordinance and those set forth in ballot will render the issue invalid. Code, 13-1-6. Jarrell v. Board of Ed. of Raleigh County, 1948, 50 S.E.2d 442, 131 W.Va. 702. Municipal Corporations ⇨ 918(2)

Where purpose of county court, when it submitted bond issue to voters, was to establish, acquire and construct an airport, but one project or purpose was contemplated, and statute providing that where a bond issue is to be used for more than one purpose the order submitting question to voters shall contain statement of amount to be used for each of purposes specified had no application. Code 1931, 13-1-6.

Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 178

A city bond issue for different projects cannot be sustained unless ordinance submitting proposed issue to vote of people clearly specifies amounts to be used for the several projects, respectively. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⇨ 918(2)

In submitting to vote of people a proposed municipal bond issue embracing several projects, amounts specified in ordinance for respective projects should also be set forth in ballot, and a substantial variance will invalidate the issue. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⇨ 918(2)

Where ordinance submitting a municipal bond issue for people's approval proposed in effect that approximately 55 per centum of cost of each of three municipal projects, to be financed in part by federal grant, should be paid

§ 13-1-6

PUBLIC BONDED INDEBTEDNESS

Note 1

for out of proceeds of sale of bonds, but form of ballot used at election provided for expenditure of larger sums on two of projects, there was failure of substantial compliance with statute requiring specification in ordinance of amounts

to be used for each project, and bonds were improperly approved by Attorney General. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations Ⓒ 918(2)

§ 13-1-6a. When proceeds of bond issue specified for one project may be used for another project

If the order or ordinance submitting the proposition of issuing bonds to a vote specifies several projects within the same general purpose and the amount of the proceeds of such issue to be used for each project and for any reason one or more of said projects cannot be constructed, carried out, or completed, the amount of money specified for such projects and any sums remaining unused upon completion of any one of the specified projects may be allocated by the governing body in its discretion to and expended for any one or more of the remaining projects specified in said order or ordinance if said order or ordinance of submission shall contain a provision authorizing it to do so.

Acts 1965, c. 126.

Library References

Key Numbers

Counties Ⓒ178.
Municipal Corporations Ⓒ918(2).
Schools Ⓒ97(4).
Westlaw Key Number Searches: 104k178;
268k918(2); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1666 to
1669.
C.J.S. Schools and School Districts §§ 532 to
545.

§ 13-1-7. When election to be held

Elections for the purpose of voting upon questions of issuing bonds may be held at any general, primary, or special election which the fiscal body in its order submitting the same to a vote may designate, except that, when a petition is filed asking that bonds be issued, the fiscal body with which the same is filed, if it be not designated in the petition that the election shall be held at a general or primary election, shall order a special election to be held within sixty days from the date of the filing of such petition; or, if it be a petition for bonds for the construction of county-district roads or bridges thereon, the election shall be held within sixty days from the filing of the engineer's report as provided for in section five of this article.

Acts 1923, c. 14, § 7.

Library References

Key Numbers

Counties Ⓒ178.
Municipal Corporations Ⓒ918(4).
Schools Ⓒ97(4).
Westlaw Key Number Searches: 104k178;
268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to
545.

§ 13-1-8. Publication of notice of election

Notice of all bond elections shall be given by publication, within fourteen consecutive days next preceding the date of the election, of the order provided for in section four of this article as a Class II-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this Code, and the publication area for such publication shall be the political division in which the election is to be held.

Acts 1923, c. 14, § 8; Acts 1967, c. 105.

Library References

Key Numbers

Counties ⇨ 178.
Municipal Corporations ⇨ 918(3).
Schools ⇨ 97(4).
Westlaw Key Number Searches: 104k178;
268k918(3); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1665, 1670.
C.J.S. Schools and School Districts §§ 532 to
545.

Notes of Decisions

In general 1

1. In general

An order of a county court submitting to the voters a proposition to issue bonds to build a road embodied therein the petition filed by the requisite number of voters and also the report of the road engineer thereon. The petition describes the proposed road as, "Beginning at or near mouth of Hurricane, at hard road from Spencer, Walton to Clendenin, thence the most economical and practical route to intersect the state road from Clay, W.Va., to Spencer, W.Va.," and the report of the engineer designates the road as running from "Hurricane to Newton," and gives the length in miles thereof. There was no such uncertainty in the order of submission as to the location of the proposed road as to render the order of submission, or the election held thereunder, void, or to justify this court in nullifying the approval by the attorney general of the bonds authorized for the construction of the road. *Vineyard v. Roane County Court*, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⇨ 90

Where, within 7 days after entry of an order of county court submitting to voters a proposition to issue bonds to build a public road, and more than 30 days before the day appointed for election, the clerk posts in his office and at the front door of the courthouse copies of such order, considering the nature of the duty, there has been substantial compliance with the statute requiring copies of such order to be posted forthwith. *Vineyard v. Roane County Court*,

1922, 114 S.E. 380, 92 W.Va. 51. Highways ⇨ 90

Where the clerk of a bond issue election to construct a road, in his affidavit filed with the Attorney General, made a mistake as to the time of the posting of the notice of election, such mistake will not be regarded, on appeal from an order of approval by the Attorney General of the bond authorized, especially where the error is corrected by a minute affidavit filed on appeal. *Vineyard v. Roane County Court*, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⇨ 90

Section 56aXXVa, chapter 43, serial section 1793, Code 1913, providing for the posting and publishing thirty days before the poll is taken, orders of the county court providing for the holding of elections for the purpose of taking the vote of the legal voters upon the question of issuing bonds the proceeds of which are to be used in permanently improving the public roads, considered in the light of a subsequent amendment of said act, and with reference to the decisions of this court interpreting other statutes on the subject of notice, is satisfied by the publication of such order once a week for four consecutive weeks, and the contract of the county court for the publication of such order for thirty consecutive days or oftener than once a week for four consecutive weeks, is illegal and void, and payment of a greater sum than the legal rate for four insertions of such publication should be enjoined. *Stanley v. Kanawha County Court*, 1919, 100 S.E. 408, 84 W.Va. 619. Counties ⇨ 178

§ 13-1-9. Registration of voters

The registration of voters and the use of registration books prescribed by general law shall be applicable to any election under this chapter.

Acts 1923, c. 14, § 9.

Cross References

Permanent voter registration law, uniform system of voter registration, see § 3-2-1.

§ 13-1-10. Election precincts

Elections for bond issues for counties, districts and school districts shall be held at the voting precincts established for holding general elections; for municipalities, at the precincts established for the election of municipal officers; and for independent school districts, at the precincts used for voting for boards of education.

Acts 1923, c. 14, § 10.

Library References

Key Numbers

Counties ⇨178.
 Municipal Corporations ⇨918(4).
 Schools ⇨97(4).
 Westlaw Key Number Searches: 104k178;
 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
 C.J.S. Municipal Corporations §§ 1671, 1673.
 C.J.S. Schools and School Districts §§ 532 to
 545.

§ 13-1-11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks

All the provisions of the general election laws of this State concerning general, primary or special elections, when not in conflict with the provisions of this article, shall apply to bond elections hereunder, insofar as practicable: Provided, That in bond elections for municipalities, school or independent school districts, the recorders and secretaries, respectively, shall procure and furnish to the election commissioners at each voting precinct the ballots, pollbooks, tally sheets and other things necessary for conducting the election, and perform all duties imposed by law upon clerks of the circuit courts in relation to general elections.

Acts 1923, c. 14, § 11.

Library References

Key Numbers

Counties ⇨178.
 Municipal Corporations ⇨918(4).
 Schools ⇨97(4).
 Westlaw Key Number Searches: 104k178;
 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
 C.J.S. Municipal Corporations §§ 1671, 1673.
 C.J.S. Schools and School Districts §§ 532 to
 545.

Notes of Decisions

Absentee voters 1
Canvassing election results 2
Mandamus 3

1. Absentee voters

Where absentee ballots under consideration were not challenged though subject to challenge, there was no showing of fraud in connection with preparation of ballots or that any voters were not qualified to cast absentee ballots, nor showing that election was not fair, and purpose of absentee voter's signature on declaration, to allow comparison of the voter's signature on ballot with his signature on poll book, was served by absentee voter's signed application for ballot, failure of circuit court clerk to provide for each absentee voter a return envelope bearing a printed declaration, and failure of voter to sign such declaration, did not render absentee ballots cast in school board levy election invalid. Acts 1963, c. 64, art. 3, § 6; Acts 1970, c. 28, art. 3, § 3; Const. art. 4, § 1. State ex rel. Heavener v. Perry, 1971, 184 S.E.2d 136, 155 W.Va. 353. Schools ⇨ 103(2)

2. Canvassing election results

In absence of any conflicting special statute, County Court, as board of canvassers, is vested with power and authority to recount ballots cast at special bond election in county and is proper governmental instrumentality to conduct such recount. Code 3-5-33; 13-1-11, 13-1-13. State ex rel. Bumgarner v. County Court of Wirt County, 1962, 125 S.E.2d 883, 147 W.Va. 52. Counties ⇨ 178

3. Mandamus

Board of education would be compelled by mandamus to appoint election officials belonging to the two dominant political parties for special election to authorize additional levies for school purposes, rather than employees of the board and those closely related to school teachers or others employed by the board, since election laws require that elections be conducted by representatives of well recognized organizations, which disagree on the major issue before the electorate. Code 1931, 13-1-11. Mingo County Taxpayers Ass'n v. Board of Ed. of Mingo County, 1940, 7 S.E.2d 656, 122 W.Va. 109. Mandamus ⇨ 74(1)

§ 13-1-12. Form of ballot

The ballots to be used at elections under this article shall be in substantially the following form:

Shall (name of political division) incur debt and issue bonds to the amount of \$....., to run not more than years from the date thereof, with interest not exceeding the rate of ... percent per annum, for the purpose of, and levy taxes sufficient to pay the interest on and the principal of such bonds.

- Yes.
- No.

NOTICE TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the square before the word "Yes."

To vote against it, place a similar mark before the word "No."

Acts 1923, c. 14, § 12.

Library References

Key Numbers

Counties ⇨178.
Municipal Corporations ⇨918(4).
Schools ⇨97(4).
Westlaw Key Number Searches: 104k178;
268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

1. In general

Failure to use the form of ballot prescribed in section 12, c. 14, Acts 1923, in an election held by a municipality upon the question of issuance of municipal bonds for street improvement, to be paid for in whole or in part by assessment against abutting property, does not render the election invalid. *Sexton v. Lee*, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⇌ 918(2)

If the form of ballot to be used in municipal bond elections be not prescribed by statute, a ballot which will clearly indicate the intention of the voter on the proposition submitted will suffice. *Sexton v. Lee*, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⇌ 918(2)

Form of ballot held not to render bond election invalid. *Sexton v. Lee*, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⇌ 918(4)

Ballot for bond elections indicating intention of voter sufficient. *Sexton v. Lee*, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⇌ 918(4)

§ 13-1-13. Time and manner of canvassing returns

The authorities calling bond elections shall canvass the returns at the same time with reference to the election and in the same manner as is required of county courts for general elections.

Acts 1923, c. 14, § 13.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⇌ 178.
Municipal Corporations ⇌ 918(4).
Schools ⇌ 97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

1. In general

In absence of any conflicting special statute, County Court, as board of canvassers, is vested with power and authority to recount ballots cast at special bond election in county and is proper governmental instrumentality to conduct such recount. Code 3-5-33, 13-1-11, 13-1-13. State ex rel. Bumgarner v. County Court of Wirt County, 1962, 125 S.E.2d 883, 147 W.Va. 52. Counties ⇌ 178

In appraisalment of votes cast at an election, it is unnecessary to isolate votes by challenge or otherwise, where, by proper and direct mathematical calculations, it can be ascertained by canvassing board, either on the canvass or the recount, how a certain number of illegal ballots

in a precinct have been cast. *Park v. Landfried*, 1951, 63 S.E.2d 586, 135 W.Va. 361. Elections ⇌ 259

Members of county court, sitting as a board of canvassers, and on the recount, had right to and should have examined both applications of absentee voters and registration lists for purpose of determining whether absentee voters had made application for absentee ballots prior to 10 days preceding election, whether any voters were under age, as determined by their registration cards, whether any voters had not registered, and whether any voters had failed to register prior to 30 days preceding election. Code, 3-6-6, 3-6-8, 3-6-9, 3-6-10; Acts 1943, c. 50, art. 2, § 26. *Park v. Landfried*, 1951, 63 S.E.2d 586, 135 W.Va. 361. Elections ⇌ 259

§ 13-1-14. Resolution authorizing issuance and fixing terms of bonds

If three fifths of all the votes cast for and against the proposition to incur debt and issue negotiable bonds shall be in favor of the same, the governing body of

the political division shall, by resolution, authorize the issuance of such bonds in an amount not exceeding the amount stated in the proposition; fix the date thereof; set forth the denominations in which they shall be issued, which denominations shall be one hundred dollars or multiples thereof; determine the rate or rates of interest which the bonds shall bear, which rate or rates of interest shall be within the maximum rate stated in the proposition submitted to vote and payable semiannually; prescribe the medium with which the bonds shall be payable; require that the bonds shall be made payable at the office of the state treasurer and at such other place or places as the body issuing the same may designate; provide for a sufficient levy to pay the annual interest on the bonds and the principal at maturity; fix the times within the maximum period, as contained in the proposition submitted to vote, when the bonds shall become payable, which shall not exceed thirty-four years from the date thereof; determine whether all or a portion of the bonds shall be subject to redemption prior to the maturity thereof and, if so, the terms of the redemption; and prescribe a form for executing the bonds authorized.

Acts 1923, c. 14, § 14; Acts 1970, c. 9; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ☞183.
Municipal Corporations ☞928.
Schools ☞97(6).
Westlaw Key Number Searches: 104k183;
268k928; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1699.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

Construction with other provisions 1
Partial bond issuance 3
Right to vote 2

1. Construction with other provisions

Any departure from strict majority rule gives disproportionate power to minority, but state constitutional and statutory requirement that 60% of voters in referendum election approve bonded indebtedness or tax increase by political subdivision did not violate equal protection clause merely because votes of those who favored issuance of bonds would have proportionately smaller impact on outcome of election than votes of those who opposed issuance of bonds. U.S.C.A.Const.Amend. 14; Const.Ind. art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ☞ 232(2)

Three-fifths vote requirement of West Virginia Constitution and statutes dealing with elections held by political subdivisions of the state for determination of whether bond indebtedness should be incurred, and 60 percent vote re-

quirement provided by West Virginia Constitution relating to elections to authorize local tax levying bodies to make additional levies for tax purposes in excess of levies provided for in Tax Limitation Amendment, conflict with and violate the Equal Protection Clause of United States Constitution and are therefore unconstitutional and unenforceable. Const. art. 10, §§ 1, 8; Code, §§ 11-8-16, 13-1-4, 13-1-14; U.S.C.A.Const. Amend. 14. Lance v. Board of Ed. of Roane County, 1969, 170 S.E.2d 783, 153 W.Va. 559, certiorari granted 90 S.Ct. 1264, 397 U.S. 1020, 25 L.Ed.2d 530, reversed 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ☞ 11

2. Right to vote

An individual may not be denied access to ballot because of some extraneous condition such as race, wealth, tax status or military status. U.S.C.A.Const. Amend. 14. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ☞ 11

3. Partial bond issuance

Under statute relating to an original bond issue, the legislature intended that a bond-issuing authority could issue less than the total

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Note 3

amount of bonds authorized at the election, if under all circumstances the projects authorized by the voters can still be completed. Code, 13-1-14. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(6)

School board's plan to issue only a part of remaining unissued original bonds, as part of its

PUBLIC BONDED INDEBTEDNESS

financing plan involving refunding bonds, was proper, where under refunding bond plan voters were obtaining school improvements they initially authorized without necessity of issuing entire amount of original bonds. Code, 13-1-14. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(6)

§ 13-1-15. Bonds to be payable in annual installments

Such bonds shall be made payable in annual installments beginning not more than two years after the date thereof, and the amount payable in each year may be so fixed that, when the annual interest is added to the principal amount to be paid, the total amount payable in each year in which part of the principal is payable shall be as nearly equal as practicable. It shall be an immaterial variance if the difference between the largest and smallest amounts of principal and interest payable annually during the term of the bonds shall not exceed three percent of the total authorized issue. Or, such bonds may be payable in annual installments beginning not more than two years after the date thereof, each installment being as nearly equal in principal amount as may be practicable.

Acts 1923, c. 14, § 14.

Library References

Key Numbers

Counties ⇨ 187.
Municipal Corporations ⇨ 953.
Schools ⇨ 97(9).
Westlaw Key Number Searches: 104k187;
268k953; 345k97(9).

Encyclopedias

C.J.S. Counties § 226.
C.J.S. Municipal Corporations § 1706.
C.J.S. Schools and School Districts § 555.

§ 13-1-15a. Bonds may be subject to redemption

All or a portion of such bonds may be subject to redemption prior to the maturity thereof, at the option of the body issuing the same, at such times and prices and on such terms as shall be designated in the resolution required by section fourteen of this article. The body issuing the bonds may not levy taxes in connection with the redemption of any bonds in excess of the taxes that would have been levied for the payment of principal of and interest on such bonds in such year.

Acts 1994, c. 13.

Library References

Key Numbers

Counties ⇨ 187.
Municipal Corporations ⇨ 951.
Schools ⇨ 97(9).
Westlaw Key Number Searches: 104k187;
268k951; 345k97(9).

Encyclopedias

C.J.S. Counties § 226.
C.J.S. Municipal Corporations §§ 1704 to
1705.
C.J.S. Schools and School Districts § 555.

§ 13-1-16. Recital of certification that bonds are issued in conformity with Constitution and statutes; effect thereof with attorney general's indorsement

The resolution authorizing the bonds provided for in section fourteen of this article may direct that they shall contain the following recital:

"It is certified that this bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia."

Such recital, when such bonds shall have been indorsed by the attorney general as provided in section twenty-eight of this article, shall be deemed an authorized declaration by the governing body of the political division and to import that there is constitutional and statutory authority for incurring the debts and issuing the bonds; that all the proceedings therefor are regular; that all the acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds, have existed, happened and been performed in due time, form and manner as required by law; that the amount of the bond and the issue of which it forms a part, together with all other indebtedness, does not exceed any limit or limits prescribed by the Constitution or statutes of this State; and that all questions connected with incurring the debt and issuing the bonds have been first submitted to a vote of the people and have received three fifths of all the votes cast for and against the same at an election regularly called and held for the purpose after notice published and posted in the manner required by law. If any bond be issued containing the said recital, and also containing the indorsement of the attorney general as aforesaid, it shall be conclusively presumed that said recital, construed according to the import hereby declared, is true, and neither the political division nor any taxpayer thereof shall be permitted to question the validity or regularity of the obligation in any court or in any action or proceeding.

Acts 1923, c. 14, § 15.

Library References

Key Numbers

Counties ☞183(2).
Municipal Corporations ☞924.
Schools ☞97(6).
Westlaw Key Number Searches: 104k183(2);
268k924; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations §§ 1686 to
1688.
C.J.S. Schools and School Districts § 551.

§ 13-1-17. Bonds may be registered; coupon bonds may be registered as to principal

The bonds issued hereunder may be registered or coupon bonds. Coupon bonds may be registered as to the principal in the owner's name by the state treasurer on books which shall be kept at its office for the purpose and the registration shall also be noted on the bonds, after which no transfer shall be valid unless made by the state treasurer on the books of registration and similarly noted on the bonds. Bonds registered as to principal may be discharged from registration by being transferred to bearer, after which they shall be transferable by delivery; but may again, and from time to time, be

registered as to the principal amount as before. The registration of coupon bonds as to the principal sum shall not affect the negotiability of the interest coupons, but title to the same shall pass by delivery.

Acts 1923, c. 14, § 16; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⇨185.
 Municipal Corporations ⇨936.
 Schools ⇨97(6).
 Westlaw Key Number Searches: 104k185;
 268k936; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
 C.J.S. Municipal Corporations § 1700.
 C.J.S. Schools and School Districts § 551.

Notes of Decisions

Bond registration 1
Mandamus 2

1. Bond registration

Statutes authorizing a bond-issuing authority to have bonds payable at the office of the State Treasurer and at such other places that the bond-issuing authority may designate provides sufficient authority to permit bonds to be registered at place of payment. Code, 13-1-14, 13-2-2; 26 U.S.C.A. § 103(j). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⇨ 113

"Registration of a bond" means that it is payable to a designated person rather than payable generally to the bearer. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⇨ 113

2. Mandamus

Once it is determined that a bond issue authorized by a governmental agency is lawful, mandamus will lie to compel secretary of the agency or other ministerial official responsible for executing the necessary documents to execute such documents. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Mandamus ⇨ 103

§ 13-1-18. Registration of coupon bonds as to interest; exchange of registered bond for coupon bond

Coupon bonds may also be registered as to the interest by the holder surrendering the bonds with the unpaid coupons attached, which bonds and coupons shall be canceled by the state treasurer. New bonds of the same date and tenor and for the same amounts as the bonds surrendered, or, at the option of the holder, a single bond for the aggregate amount of the bonds surrendered, but without interest coupons attached, shall be issued in the place of the coupon bonds and registered in the manner required in the preceding section. A registered bond may at any time be surrendered and be exchanged by the holder for a coupon bond by the holder delivering the registered bond to the state treasurer who shall cancel the same and who shall cause a new bond of the same date and tenor and for the same amount to be issued, and with interest coupons for the interest thereafter to accrue thereon attached, and deliver the same to the holder of the surrendered bond. The governing body of the county, municipal corporation or school district which issued the original bond shall issue and execute the new bond required by this section and shall pass the resolutions and ordinances necessary to authorize the same. The expense of such registration shall in all cases be paid by the holder of the bonds.

Acts 1923, c. 14, § 17; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⇨ 185.
 Municipal Corporations ⇨ 936.
 Schools ⇨ 97(6).
 Westlaw Key Number Searches: 104k185;
 268k936; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
 C.J.S. Municipal Corporations § 1700.
 C.J.S. Schools and School Districts § 551.

§ 13-1-19. Signing, sealing and delivery of bonds and coupons

All bonds issued under this article by any county shall be signed by the president of the county court and countersigned by the clerk of such court; bonds issued by any municipality shall be signed by the mayor or other chief executive and countersigned by the clerk, recorder or secretary; bonds issued by a district or independent school district shall be signed by the president of the board of education and countersigned by the secretary thereof. The seal of the political division shall be affixed to such bonds. Interest coupons shall be signed by the facsimile signatures of such officers. The delivery of any bonds or coupons so executed at any time thereafter shall be valid, although before the date of delivery the person signing such bonds or coupons shall have ceased to hold office.

Acts 1923, c. 14, § 18.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⇨ 183(1).
 Municipal Corporations ⇨ 927.
 Schools ⇨ 97(6).
 Westlaw Key Number Searches: 104k183(1);
 268k927; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
 C.J.S. Municipal Corporations § 1699.
 C.J.S. Schools and School Districts § 551.

Notes of Decisions

In general 1

1. In general

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide

debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(1)

§ 13-1-20. Imposition and collection of tax to pay bonds and interest

It shall be the duty of the governing body of any political division, at or before the time of issuing bonds under this article, to provide for the imposition and collection annually of a tax, in excess of all other taxes, on all property subject to taxation by the political division under the Constitution and laws of this State, sufficient in amount to pay annually the interest on such debt and the principal thereof falling due in each year, such tax to be levied and collected by the same officers, at the same time and in the same manner as the general taxes of the political division. Should any political division neglect or

fail for any reason to impose or collect such tax for the payment of the principal or interest of any bonded indebtedness incurred under this article, any person in interest or the state tax commissioner may enforce the imposition and collection thereof in any court having jurisdiction of the subject matter, and any suit, action or proceeding brought for such purpose shall be heard and disposed of with reasonable dispatch.

Acts 1923, c. 14, § 19.

Library References

Key Numbers

Counties ⇨188.
 Municipal Corporations ⇨955(1).
 Schools ⇨97(10).
 Westlaw Key Number Searches: 104k188;
 268k955(1); 345k97(10).

Encyclopedias

C.J.S. Counties § 226.
 C.J.S. Schools and School Districts § 556.

Notes of Decisions

Bond levy 1

1. Bond levy

Special bond levy is set annually based upon current year's appraised values, as evidenced by statute requiring bond-issuing authority to pay annually interest on such debt and principal

thereof falling due in each year, such tax to be levied and collected by same officers, at same time and in same manner as the general taxes of the political division. Code, 13-1-4, 13-1-20. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 106

§ 13-1-21. Advertisement and sale of bonds

The governing body of the political division issuing such bonds shall sell the same and collect the proceeds, which proceeds shall be deposited with its treasurer. The governing body of the political division shall advertise such bonds for sale, on sealed bids, which advertisement shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be the political division. The first publication shall be made at least fourteen days before the date fixed for the reception of bids. Such advertisement shall also be published in a financial paper published either in the city of New York or the city of Chicago, or in a newspaper published in a city of this state having a population of not less than twenty thousand inhabitants, according to the last federal census. The governing body may reject any and all bids. If the bonds be not sold pursuant to such advertisement, they may within one hundred twenty days after the date advertised for the reception of bids, be sold by the governing body at private sale, but no private sale shall be made at a price less than the highest bid which shall have been received. If not sold, such bonds shall be readvertised in the manner herein provided. In no event shall bonds be sold for less than their par value.

Acts 1923, c. 14, § 20; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2; Acts 1992, c. 29.

Library References

Key Numbers

Counties ⇨182.

Municipal Corporations ⇨921.
 Schools ⇨97(5).

BOND ISSUES FOR ORIGINAL INDEBTEDNESS

§ 13-1-23

Westlaw Key Number Searches: 104k182; 268k921; 345k97(5).

C.J.S. Municipal Corporations §§ 1679 to 1682.

Encyclopedias

C.J.S. Counties § 225.

C.J.S. Schools and School Districts §§ 546 to 548, 550, 554.

Notes of Decisions

Sale at discount 1

County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇨ 97(5)

1. Sale at discount

Discount sale of a refunding bond is not prohibited under the Refunding Bond Act. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock

In the absence of some constitutional or statutory prohibition, right to sell bonds carries with it the right to sell at a discount. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⇨ 84

§ 13-1-22. Purposes for which proceeds to be used; purchaser need not see to application thereof

The proceeds derived from the sale of any bonds shall be used only for the purpose or purposes for which the bonds were issued as set out in the order or ordinance submitting the question to vote, but the purchaser of the bonds shall not be obliged to see to the application thereof.

Acts 1923, c. 14, § 21.

Library References

Key Numbers

Counties ⇨ 182.

Municipal Corporations ⇨ 921(3).

Schools ⇨ 97(5).

Westlaw Key Number Searches: 104k182; 268k921(3); 345k97(5).

Encyclopedias

C.J.S. Counties § 225.

C.J.S. Municipal Corporations §§ 1683 to 1685, 1697 to 1698.

C.J.S. Schools and School Districts §§ 546 to 548, 550, 554.

Notes of Decisions

In general 1

of bond sales, in absence of knowledge of any infirmity and facts showing actual bad faith. Code W.Va. 13-1-22. St. Paul Fire & Marine Ins. Co. v. Town of Monongah, W. Va., 1962, 209 F.Supp. 514. Municipal Corporations ⇨ 948(7)

1. In general

Innocent purchaser of waterworks bonds had no duty to see to proper application of proceeds

§ 13-1-23. No law, order, ordinance, resolution, proceeding or publication necessary except as prescribed by this article

This article shall, without reference to any other act of the legislature, be full authority for the issuance and sale of bonds in this article authorized. No order, ordinance, resolution or proceeding in respect to the issuance of any bond under this article shall be necessary, except such as are required by this article. No publication of any order, ordinance, resolution or proceeding relating to the issuance of such bonds shall be necessary except such as is required by this article. Any publication prescribed hereby may be made in any newspaper conforming to the terms of this article, without regard to designation thereof as the official journal of the political division.

Acts 1923, c. 14, § 22.

Library References

Key Numbers

Counties ⇨180.
 Municipal Corporations ⇨917.
 Schools ⇨97(4.5).
 Westlaw Key Number Searches: 104k180;
 268k917; 345k97(4.5).

Encyclopedias

C.J.S. Counties § 221.
 C.J.S. Municipal Corporations §§ 1658 to
 1660.
 C.J.S. Schools and School Districts § 530.

§ 13-1-24. Legal status of bonds

Bonds issued under this article, except to the extent that their status shall be affected by registration made in pursuance of this article, shall have all the qualities of negotiable paper under the law merchant and shall not be invalid for any irregularity or defect in the proceedings for the issuance thereof, and shall be incontestable in the hands of bona fide purchasers or holders thereof for value.

Acts 1923, c. 14, § 23.

Library References

Key Numbers

Counties ⇨183(3).
 Municipal Corporations ⇨948.
 Schools ⇨97(8).
 Westlaw Key Number Searches: 104k183(3);
 268k948; 345k97(8).

Encyclopedias

C.J.S. Counties § 222.
 C.J.S. Municipal Corporations § 1723.
 C.J.S. Schools and School Districts § 553.

§ 13-1-25. Copy of proceedings to be transmitted to attorney general for approval or disapproval; publication of approval or disapproval

The governing body of any political division issuing bonds under this article shall, as soon as practicable after the result of the election authorizing their issuance shall have been officially ascertained, transmit to the attorney general a duly certified copy of all orders, ordinances, proclamations, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and any other matters relative thereto which the attorney general may require. The attorney general shall thereupon either approve or disapprove the validity of such bond issue, and shall immediately notify the governing body of the political division which authorized the issuance of the bonds of his action by mail, and as soon as practicable notify the people of such political division of his approval or disapproval of such bond issue, by causing notice thereof to be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this Code, and the publication area for such publication shall be the political division.

Acts 1923, c. 14, § 24; Acts 1967, c. 105.

Library References

Key Numbers

Counties ⇨183(4).

Municipal Corporations ⇨917(2).
 Schools ⇨97(4.5).

Westlaw Key Number Searches: 104k183(4);
268k917(2); 345k97(4.5).

C.J.S. Municipal Corporations §§ 1662 to
1663.

Encyclopedias

C.J.S. Counties § 223.

C.J.S. Schools and School Districts § 530.

Notes of Decisions

Determination by attorney general 2

Judicial review 3

Powers and duties of attorney general 1

South Charleston v. Partlow, 1949, 55 S.E.2d
401, 133 W.Va. 139. Municipal Corporations
⇨ 917(2)

1. Powers and duties of attorney general

Where Attorney General had no power to pass on validity of an agreement between Board of Education and town affecting title to land to be purchased from proceeds of a bond issue, Supreme Court of Appeals in reviewing decision of Attorney General disapproving bond issue could not determine the validity of agreement but was confined to determining whether proper procedural steps were taken with respect to proposed bond issue. Code 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⇨ 917(2)

Power of Attorney General in approving or disapproving validity of a proposed bond issue was restricted to passing upon procedural steps taken by political subdivision and Attorney General had no power to pass on validity of a contract and agreement affecting title to land to be purchased from proceeds of bond issue. Code, 13-1-25. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Attorney General ⇨ 6

2. Determination by attorney general

Where record disclosed no actual defect in submission of bond issue to voters of town and ascertainment of result of election held pursuant to such submission and no irregularity was disclosed in proposed issuance of bonds, proposed bond issue would be held valid on review of Attorney General's decision disapproving bond issue without regard to proposed expenditure of funds to be raised from sale of bonds. Code, 13-1-25, 13-1-26. State ex rel. Town of

3. Judicial review

Under statutory proceeding for review of Attorney General's approval or disapproval of bond issues, court generally will not undertake supervision of expenditure of funds to be procured as result of bond issue. Code, 13-1-25. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⇨ 917(2)

The statutes pertaining to county bond issues contemplate that when an Attorney General has ruled as to validity of bond issue, his action may be reviewed by Supreme Court of Appeals. Code 1931, 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 183(4)

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⇨ 107

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⇨ 6

§ 13-1-26. Review in supreme court of appeals of action of attorney general

For a period of ten days from and after the date of the last publication of the notice of the attorney general of his action in approving or disapproving the validity of any bond issue as provided in the preceding section, any person in interest, or any taxpayer within the political division for which the bonds are authorized to be issued, may present his or its petition to the supreme court of appeals or to a judge thereof in vacation, praying that the action of the attorney general in approving or disapproving such bond issue, as aforesaid, be reversed

or modified; and if the court, or such judge thereof in vacation, be of the opinion to hear and determine the matters in such petition set out, the case shall be proceeded with as in cases of original jurisdiction; but the petitioner shall file with the clerk of the court a bond, with security to be approved by him, and in such sum as the court or judge may fix, for the payment of such costs as may be awarded against him in said court. The clerk of the court shall forthwith notify the attorney general and the governing body of the political division which authorized the issuance of the bonds of the action taken by the court or judge in vacation upon such petition, and for the hearing thereof the attorney general shall file with the clerk of said court all papers, documents, evidence and records, or certified copies thereof, which were before him and on which he based his approval or disapproval; and before the day fixed for final hearing, he shall file with the clerk of said court a written statement of his reasons for the approval or disapproval of the bond issue. Upon the submission of the case, the court shall decide the matters in controversy and enter such order thereon as to it may seem to be just.

Acts 1923, c. 14, § 24.

Library References

Key Numbers

Counties ⇨183(4).
 Municipal Corporations ⇨917(2).
 Schools ⇨97(4.5).
 Westlaw Key Number Searches: 104k183(4);
 268k917(2); 345k97(4.5).

Encyclopedias

C.J.S. Counties § 223.
 C.J.S. Municipal Corporations §§ 1662 to
 1663.
 C.J.S. Schools and School Districts § 530.

Notes of Decisions

Adequacy of submission to voters 4
Construction and application 1
Declaratory relief 6
Effect of determination by supreme court 5
Mandamus 7
Petitions for review 2
Scope of judicial review 3

Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 917(2)

Where supplemental and amended petition seeking reversal of Attorney General's approval of bond issue by municipality did not add new parties to proceeding and alleged only occurrences since filing of original petition, not included in file forwarded to Attorney General upon which his approval was based, allegations did not go to the merits. Code, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 917(2)

1. Construction and application

The statutes pertaining to county bond issues contemplate that when an Attorney General has ruled as to validity of bond issue, his action may be reviewed by Supreme Court of Appeals. Code 1931, 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⇨ 183(4)

2. Petitions for review

In statutory proceeding to review action of Attorney General approving municipal bond issue, amended and supplemental petitions filed after expiration of ten days provided for appeal after last date of publication of Attorney General's notice approving or disapproving bond issue, would be considered as seasonable where defendant was not prejudiced. Code, 13-1-26.

3. Scope of judicial review

Where Attorney General had no power to pass on validity of an agreement between Board of Education and town affecting title to land to be purchased from proceeds of a bond issue, Supreme Court of Appeals in reviewing decision of Attorney General disapproving bond issue could not determine the validity of agreement but was confined to determining whether proper procedural steps were taken with respect to proposed bond issue. Code 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⇨ 917(2)

4. Adequacy of submission to voters

Where record disclosed no actual defect in submission of bond issue to voters of town and ascertainment of result of election held pursuant to such submission and no irregularity was disclosed in proposed issuance of bonds, proposed bond issue would be held valid on review of Attorney General's decision disapproving bond issue without regard to proposed expenditure of funds to be raised from sale of bonds. Code, 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⇨ 917(2)

Municipal bond issue proposal submitted to voters by common council, was not required to contain statement that city would be provided with sufficient revenue to pay its costs and keep aggregate levies within legal limits, including those authorized to satisfy bonded indebtedness authorized by election order. Code, 13-1-4, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⇨ 918(2)

A city bond issue for different projects cannot be sustained unless ordinance submitting proposed issue to vote of people clearly specifies amounts to be used for the several projects, respectively. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⇨ 918(2)

Where ordinance submitting a municipal bond issue for people's approval proposed in effect that approximately 55 per centum of cost of each of three municipal projects, to be financed in part by federal grant, should be paid for out of proceeds of sale of bonds, but form of ballot used at election provided for expenditure of larger sums on two of projects, there was failure of substantial compliance with statute requiring specification in ordinance of amounts to be used for each project, and bonds were improperly approved by Attorney General. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⇨ 918(2)

5. Effect of determination by supreme court

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code

1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⇨ 107

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⇨ 6

6. Declaratory relief

Where board of education conveyed land to town in consideration that town would deliver lease if land were conveyed to United States and reconveyed to town, and thereafter United States condemned land, and town made conditional offer to repurchase which was accepted, but town before spending money raised by bond issue to effect the repurchase sought to compel board to release town from leasing agreement or for declaratory relief, no "justiciable controversy" was presented and court was without jurisdiction to pronounce any decree except one of dismissal, notwithstanding doubt as to whether funds could be applied to purchase of land subject to leasing agreement. Acts 1941, c. 26; Code, 13-1-25, 26. Town of South Charleston v. Board of Ed. of Kanawha County, 1948, 50 S.E.2d 880, 132 W.Va. 77. Declaratory Judgment ⇨ 186

7. Mandamus

Under Acts 1917, c. 57, § 3, Code Supp.1918, c. 47a, § 7a III (section 2501c), the Supreme Court of Appeals may by mandamus or other original writ review and control the judgment of the attorney general in approving a proposed bond issue of the county court of Marshall county for building and improving certain roads of Cameron district therein, as his duties therein under Acts 1917, c. 66, Code Supp.1918, c. 43, §§ 1-82, 83-183 (sections 1940-1 to 1940-82, 1940-83 to 1940-183), making him legal adviser of state road commission created thereby and requiring him to prepare for it all contracts, etc., when required, are only supervisory and ministerial, without discretion to act unlawfully or arbitrarily. State ex rel. Allen v. England, 1920, 103 S.E. 400, 86 W.Va. 508. Mandamus ⇨ 103

§ 13-1-27. Bond issue and tax to pay bonds to be incontestable upon failure to file petition for review or dismissal thereof

If no person in interest or taxpayer shall within ten days from and after the date of the last publication of the notice of the attorney general of his action in

approving or disapproving the validity of any bond issue, as provided in this article, present his or its petition to the supreme court of appeals or to a judge thereof in vacation praying that the action of the attorney general be reversed or modified, as hereinbefore provided, or if such petition be filed and the court or judge be of the opinion not to hear and determine the matters in such petition set out, the action of the attorney general shall be final and no other appeal shall be allowed therefrom; and the bond issue approved by him shall become incontestable and shall be a valid and binding obligation upon the authority issuing the same and upon the taxable property within the political division which authorized the bond issue by the vote of the people therein; and no one shall thereafter have the right to contest in any court or in any action or proceeding the legality of any election held under this article, the bond issue provided for, or the tax required to pay the same, for any cause whatsoever. Acts 1923, c. 14, § 24.

Library References

Key Numbers

Counties ⇨183(3).
 Municipal Corporations ⇨948.
 Schools ⇨97(8).
 Westlaw Key Number Searches: 104k183(3);
 268k948; 345k97(8).

Encyclopedias

C.J.S. Counties § 222.
 C.J.S. Municipal Corporations § 1723.
 C.J.S. Schools and School Districts § 553.

Notes of Decisions

In general 1

1. In general

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⇨ 107

General obligation bonds issued by city of Grafton, proceeds of which were to be used by defraying a part of expenses of completing hospital owned by city, were valid, in view of manner in which election authorizing issuance of bonds was conducted, and that validity of bond issue was approved by attorney general and copy of his approval published in two newspapers of opposite politics and that no petition praying that attorney general's action be reversed was filed. Code 1931, 13-1-27. Warden v. City of Grafton, 1943, 26 S.E.2d 1, 125 W.Va. 658. Municipal Corporations ⇨ 918(4)

§ 13-1-28. Indorsement on bonds by attorney general

After ten days shall have elapsed from and after the date of the last publication of the attorney general's notice provided for in section twenty-five of this article, if no proceeding be pending to have his approval of the bond issue reversed and modified, the attorney general shall indorse upon each and every bond of the issue so approved by him his certificate to the effect that such bond has been approved by him by virtue of the authority vested in him by this article; that notice of his approval was published as required by section twenty-five of this article; that ten days have elapsed since the date of the last publication of such notice; that there has been no appeal from his decision to the supreme court of appeals; and that the bond has become incontestable and is a binding obligation upon the authority issuing the same and upon the taxable property within the political division, and that the validity of such bond

shall not be contested thereafter in any court or in any action or proceeding for any cause whatsoever.

Acts 1923, c. 14, § 24.

Library References

Key Numbers

Counties ⇨183(2).

Municipal Corporations ⇨927.

Schools ⇨97(6).

Westlaw Key Number Searches: 104k183(2);
268k927; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.

C.J.S. Municipal Corporations § 1699.

C.J.S. Schools and School Districts § 551.

§ 13-1-29. Costs of proceedings and expenses of attorney general to be paid out of proceeds of bonds or general fund

The cost of publishing the notice to taxpayers as herein provided, and the costs of certifying and copying all records, papers and proceedings to be used by the attorney general in passing upon the validity of the bond issue, and all necessary expense incurred by the attorney general in connection with any bond issue, shall be paid by the authority issuing such bonds out of the proceeds arising from the sale thereof, if the same be finally approved, and if the bond issue be disapproved, such expense shall be paid out of the general fund of such authority.

Acts 1923, c. 14, § 24.

§ 13-1-30. Files and records to be kept by attorney general

The attorney general shall keep on file in his office the papers pertaining to any bond issue submitted to him, and shall record his findings of approval or disapproval in a well bound book kept for that purpose in his office, which shall be open for inspection by anyone in interest during business hours.

Acts 1923, c. 14, § 24.

§ 13-1-31. Proceedings to issue bonds under authority of prior statutes; debts heretofore incurred

Nothing contained in this article shall affect in any way proceedings heretofore begun by the governing body of any political division to issue bonds under the authority of any statutes of this State heretofore in force. Such proceedings may be completed under the statute under which the same were begun and under the provisions of this article so far as the same can be made applicable thereto. Nor shall anything contained in this article invalidate any indebtedness heretofore incurred under a law then existing.

Acts 1923, c. 14, § 25.

§ 13-1-32. Amount of indebtedness authorized by § 13-1-3 may be increased by special act as to municipalities and independent school districts; bonds for assessments against abutting property excepted from this article

Notwithstanding the provisions of section three of this article, when by a special act of the legislature any municipality or independent school district is authorized to become indebted for any purpose or purposes in a greater amount than is fixed by said section three, bonds may be issued under this article by such municipality or independent school district in an amount not exceeding that fixed by such special act. This article shall not affect any general or special law providing for the issuing of bonds for any improvement to be paid for in whole or in part by assessment against abutting property. Acts 1923, c. 14, § 26.

Library References

Key Numbers

Counties ⇨173.1.
 Municipal Corporations ⇨914.
 Schools ⇨97(3).
 Westlaw Key Number Searches: 104k173.1;
 268k914; 345k97(3).

Encyclopedias

C.J.S. Counties § 219.
 C.J.S. Municipal Corporations §§ 1654, 1656 to 1657.
 C.J.S. Schools and School Districts §§ 525 to 526.

§ 13-1-33. Bonds exempt from taxation

All bonds of the State of West Virginia or of any political subdivision thereof issued hereunder, or under the provisions of chapter eight of this Code, shall be exempt from all taxation by the State or by any political subdivision thereof.

Library References

Key Numbers

Taxation ⇨218.
 Westlaw Key Number Search: 371k218.

Encyclopedias

C.J.S. Taxation § 260.

Notes of Decisions

In general 1

1. In general

Bonds issued by the political subdivisions of this state, not exempted from taxation by law or

by contract, are taxable by the state in the same manner as other property. State v. Page, 1925, 130 S.E. 426, 100 W.Va. 166, 44 A.L.R. 501.
 Taxation ⇨ 190

§ 13-1-34. Bonded indebtedness of school districts; annual tax to be levied and collected to pay same; definition of value

(a) Notwithstanding any other provision of this article or of any other law to the contrary, every school district, by and through its board of education, shall levy and collect in each year a direct annual tax on all taxable property in such school district sufficient to pay the principal and interest maturing in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, on any bonded indebtedness of such school district, now or hereafter contracted, not to exceed five percent of the value of the taxable property

therein to be ascertained in accordance with section 8, article X of the Constitution, which levies shall be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property specified in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property, and which tax may be levied outside the limits fixed by said section 1, article X of the Constitution.

(b) The term "value" as used in this section and in section 8, article X of the Constitution, is used in the same context that the term "value" is used in section 1, article X of the Constitution, and means the "worth in money" of a piece of property—its market value for ad valorem property tax purposes. Acts 1959, c. 132; Acts 1988, 3rd Ex. Sess., c. 7.

Library References

Key Numbers

Schools Ⓒ97(9).
Westlaw Key Number Search: 345k97(9).

Encyclopedias

C.J.S. Schools and School Districts § 555.

Notes of Decisions

In general 1

1. In general

The better schools amendment of constitution related only to levies for public school purposes, and did not authorize an airport bond levy in excess of maximum limits authorized by tax limitation amendment to the constitution, and

statute, to extent it undertook to confer additional levying power upon county courts was unconstitutional, and levies made by county court in pursuance thereof were invalid. Const. art. 10, § 10; Code, 13-1-35. *Appalachian Power Co. v. County Court of Mercer County*, 1961, 118 S.E.2d 531, 146 W.Va. 118. Counties Ⓒ 190.2

§ 13-1-35. Bonded indebtedness of counties, magisterial districts and municipal corporations; levy and collection of taxes to pay same

Notwithstanding any other provisions of this article or any other law to the contrary, every county, by and through its county court, either for or on behalf of the county, or for and on behalf of any magisterial district, or any group of magisterial districts therein, and any municipal corporation, by and through its council or other governing body in lieu thereof, shall levy and collect in each year a direct annual tax on all the taxable property in such county, magisterial district or districts, or municipality sufficient to pay the principal and interest maturing in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, on any bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, now or hereafter contracted, not to exceed in the aggregate five percent of the value of the taxable property therein, to be ascertained in accordance with section 8, article X of the Constitution, which levies shall be laid separate and apart and in addition to the maximum rates provided for tax levies by such counties, magisterial district or districts, or municipalities, as the case may be, on the several classes of property specified in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property, and which tax may be levied outside the limits fixed by said section 1, article X of the Constitution.

The order of the county court, either for or on behalf of the county or for and on behalf of any magisterial district, or any group of magisterial districts therein, or of any municipal corporation, by its council or other governing body in lieu thereof, hereafter adopted calling an election on the issuance of bonds of such county, magisterial district or districts, or municipality, as the case may be, which together with the existing bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, will not exceed in the aggregate five percent of the value of the taxable property in such county, magisterial district or districts, or municipality, as the case may be, the value to be ascertained in accordance with section 8, article X of the Constitution, shall contain a statement in substantially the following form:

Such bonds, together with all existing bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, will not exceed in the aggregate five percent of the value of the taxable property in such county, magisterial district or districts, or municipality, as the case may be, ascertained in accordance with section 8, article X of the Constitution; and that such bonds will be payable from a direct annual tax levied and collected in each year on all taxable property in such county, magisterial district or districts, or municipality, as the case may be, sufficient to pay the principal and interest maturing on such bonds in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by counties, magisterial district or districts, or municipalities, as the case may be, on the several classes of property specified in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax may be levied outside the limits fixed by section 1, article X of the Constitution.

Acts 1959, c. 133.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⇨190.2.
 Municipal Corporations ⇨964.
 Westlaw Key Number Searches: 104k190.2;
 268k964.

Encyclopedias

C.J.S. Counties § 227.
 C.J.S. Municipal Corporations §§ 1745 to
 1746.

Notes of Decisions

In general 1

1. In general

The better schools amendment of constitution related only to levies for public school purposes, and did not authorize an airport bond levy in excess of maximum limits authorized by tax limitation amendment to the constitution, and

statute, to extent it undertook to confer additional levying power upon county courts was unconstitutional, and levies made by county court in pursuance thereof were invalid. Const. art. 10, § 10; Code, 13-1-35. Appalachian Power Co. v. County Court of Mercer County, 1961, 118 S.E.2d 531, 146 W.Va. 118. Counties ⇨ 190.2



West's
**Annotated Code
of West Virginia**



*Using the Classification and
Numbering System of the
1931 Code of West Virginia,
as Amended*

Chapters 12 to 15

2009
Cumulative Annual Pocket Part

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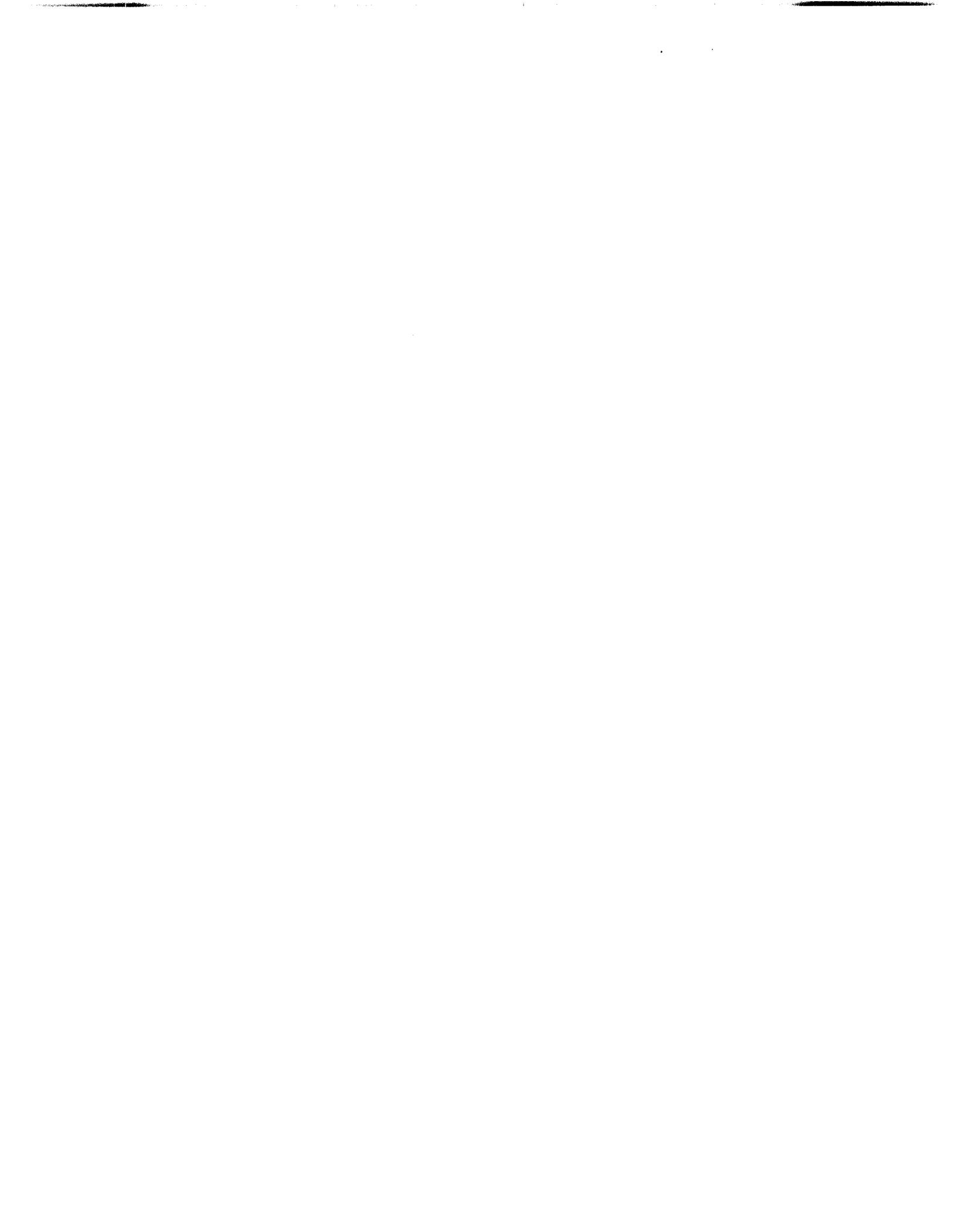
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Notes of Decisions

Validity 1

1. Validity

Pension Liability Redemption Act, authorizing issuance of general revenue bonds for the redemption of unfunded actuarial accrued liability (UAAL) of the Judicial Retirement System, State Troopers Retirement System, and the Teachers Retirement System, was unconstitutional, in that implementation of its provisions would result in violation of debt clause of the State constitution. *Perdue v. Wise*, 2004, 607 S.E.2d 424, 216 W.Va. 318. States ⇐ 64.1(2); States ⇐ 115

State's issuance of \$3.9 billion in general revenue bonds pursuant to the Pension Liability Redemption Act, in order to "redeem" the unfunded actuarial accrued liability (UAAL) of the Judicial Retirement System, State Troopers Retirement System, and the Teachers Retirement System, did not redeem a "previous liability of the State" with in meaning of exception to constitutional ban on the State incurring debt, and thus issuance of the bonds violated debt clause of the State constitution; retirement funds were currently actuarially sound, and there was no present indebtedness resulting from the actual discharge of debt attributable to the funds. *Perdue v. Wise*, 2004, 607 S.E.2d 424, 216 W.Va. 318. States ⇐ 120

CHAPTER 13

PUBLIC BONDED INDEBTEDNESS

Article	Section
1. BOND ISSUES FOR ORIGINAL INDEBTEDNESS.....	13-1-4
2C. INDUSTRIAL DEVELOPMENT AND COMMERCIAL DEVELOPMENT BOND ACT.....	13-2C-3
2D. AIRPORT DEVELOPMENT BOND ACT.....	13-2D-3
2G. STATE REFUNDING BOND ACT.....	13-2G-14

ARTICLE 1

BOND ISSUES FOR ORIGINAL INDEBTEDNESS

Section	Section
13-1-4. Bond issue proposal to be submitted to voters; election order.	13-1-16. Recital of certification that bonds are issued in conformity with constitution and statutes; effect thereof with Attorney General's endorsement.
13-1-14. Resolution authorizing issuance and fixing terms of bonds.	13-1-17. Bonds shall be registered.
13-1-15. Bonds to be payable in annual or semi-annual installments.	13-1-18. Repealed.
13-1-15a. Bonds may be subject to redemption.	13-1-19. Signing, sealing and delivery of bonds.
	13-1-21. Advertisement and sale of bonds.

§ 13-1-2. Purposes for which bonds may be issued

Notes of Decisions

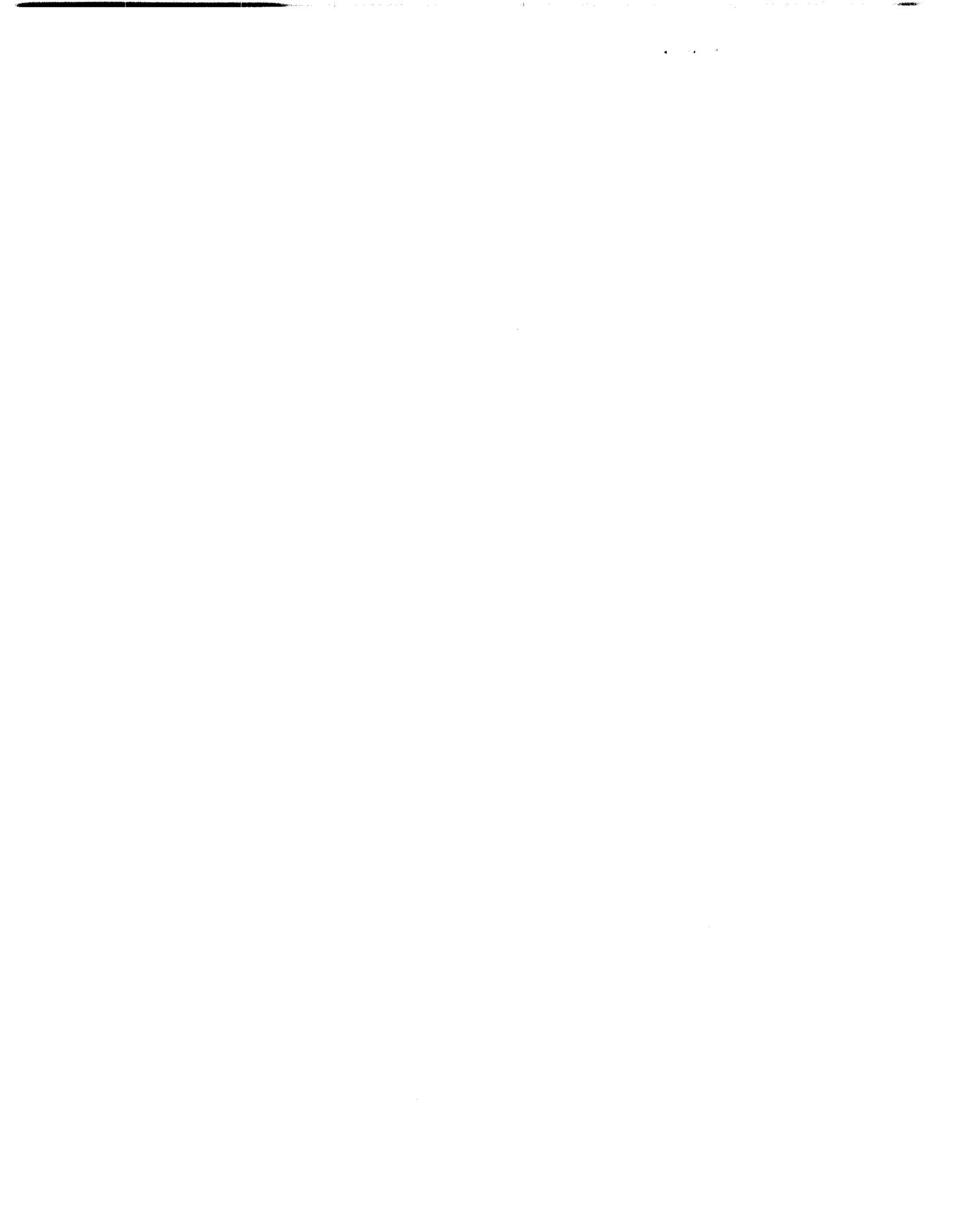
School board purchases 4

4. School board purchases

County board of education may not issue general obligation bonds to purchase text books. 51 W.Va. Op. Atty. Gen. 323 (May 28, 1965) 1965 WL 92447.

§ 13-1-4. Bond issue proposal to be submitted to voters; election order

No debt shall be contracted or bonds issued under this article until all questions connected with the same are first submitted to a vote of the qualified electors of the political division for which the bonds are to be issued, and receive three fifths of all the votes cast for and against the same: *Provided*, That a county board of education may contract indebtedness and issue bonds for public school purposes when submitted to a vote of the people of the county if the



question of contracting indebtedness and issuing bonds is approved by a majority of all the votes cast for and against the same pursuant to section ten, article X of the constitution. The governing body of any political division referred to in this article may, and when requested so to do by a petition in writing, praying that bonds be issued and stating the purpose and amount thereof, signed by legal voters of the political division equal to twenty percent of the votes cast in a county for Governor, or in a municipal corporation or school district for mayor or member of the board of education, as the case may be, shall, by order entered of record, direct that an election be held for the purpose of submitting to the voters of the political division all questions connected with the contracting of debt and the issuing of bonds. The order shall state:

(a) The necessity for issuing the bonds or, if a petition has been filed as provided herein, that the petition has been filed;

(b) If for the construction of a county-district road or bridge thereon, a summary of the engineer's report provided for in the following section setting forth the approximate extent and the estimated cost of the proposed improvement and the kind or class of work to be done thereon;

(c) Purpose or purposes for which the proceeds of bonds are to be expended;

(d) Valuation of the taxable property as shown by the last assessment thereof for state and county purposes;

(e) Indebtedness, bonded or otherwise;

(f) Amount of the proposed bond issue;

(g) Maximum term of bonds;

(h) Maximum rate of interest;

(i) Date of election;

(j) That the levying body is authorized to lay a sufficient levy annually to provide funds for the payment of the interest upon the bonds and the principal at maturity and the approximate rate of levy necessary for this purpose;

(k) In the case of school bonds, that the bonds, together with all existing bonded indebtedness, will not exceed in the aggregate five percent of the value of the taxable property in the school district ascertained in accordance with section eight, article X of the constitution; and that the bonds will be payable from a direct annual tax levied and collected in each year on all taxable property in the school district sufficient to pay the principal and the interest maturing on the bonds in that year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property in section one, article X of the constitution, but in the same proportions as the maximum rates are levied on the several classes of property; and the tax may be levied outside the limits fixed by section one, article X of the constitution.

Any other provision which does not violate any provision of law, or transgress any principle of public policy, may be incorporated in the order.

Acts 1923, c. 14, § 4; Acts 1951, c. 153; Acts 1959, c. 132; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-7. When election to be held

Notes of Decisions

In general 1

1. In general

It is unconstitutional for school bond and/or levy questions to be voted upon at an election called by

a county board of education to be held on the same day as that already designated by the Legislature for holding a special election for the purpose of considering the ratification or rejection of proposed constitutional amendments. 55 W.Va. Op. Atty.Gen. 98 (April 9, 1973) 1973 WL 159147.

13-1-11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks**Notes of Decisions**

Polling places 4

court rather than on the board of education of that county. 53 W.Va. Op. Atty. Gen. 263 (July 25, 1969) 1969 WL 100556.

Polling places

The duty to provide polling places in a special election for school purposes is imposed on a county

13-1-14. Resolution authorizing issuance and fixing terms of bonds

If the required amount of all the votes, pursuant to section four of this article, cast for and against the proposition to incur debt and issue negotiable bonds is in favor of the same, the governing body of the political division shall, by resolution, authorize the issuance of the bonds in an amount not exceeding the amount stated in the proposition; establish the maximum rate or rates of interest which the bonds shall bear within the maximum rate stated in the proposition submitted to vote; require that the bonds shall be made payable at the office of the Municipal Bond Commission and at any other place or places as the body issuing the same designates; provide for a sufficient levy to pay the annual interest on the bonds and the principal at maturity; fix the times within the maximum period, as contained in the proposition submitted to vote, when the bonds shall become payable, which shall not exceed thirty-four years from the date thereof; determine whether all or a portion of the bonds will be subject to redemption prior to the maturity thereof; and prescribe a form for executing the bonds authorized.

Acts 1923, c. 14, § 14; Acts 1970, c. 9; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998; Acts 2009, c. 23, eff. July 9, 2009.

13-1-15. Bonds to be payable in annual or semiannual installments

Bonds shall be made payable in annual or semiannual installments beginning not more than three years after the date thereof and the amount payable in each year may be so fixed that when the annual interest is added to the principal amount to be paid, the total amount payable in each year in which part of the principal is payable shall be as nearly equal as practicable. Once principal payments commence, it shall be an immaterial variance if the difference between the largest and smallest amounts of principal and interest payable annually or semiannually during the term of the bonds shall not exceed five percent of the total authorized issue. Bonds may be payable in annual or semiannual installments beginning not more than three years after the date thereof, each installment being as nearly equal in principal amount as practicable.

Acts 1923, c. 14, § 14; Acts 2009, c. 23, eff. July 9, 2009.

13-1-15a. Bonds may be subject to redemption

All or a portion of the bonds may be subject to redemption prior to the maturity thereof at the option of the body issuing the same as established by resolution of the governing body authorizing the bonds. The body issuing the bonds may not levy taxes in connection with the redemption of any bonds in excess of the taxes that would have been levied for the payment of principal of and interest on the bonds in any year.

Acts 1994, c. 13; Acts 2009, c. 23, eff. July 9, 2009.

13-1-16. Recital of certification that bonds are issued in conformity with constitution and statutes; effect thereof with Attorney General's endorsement

The resolution authorizing the bonds provided for in section fourteen of this article may recite that they contain the following recital:

"It is certified that this bond is authorized by and is issued in conformity with the requirements of the Constitution and Statutes of the State of West Virginia."

The recital, when the bonds have been endorsed by the Attorney General as provided in section twenty-eight of this article, are considered an authorized declaration by the governing body of the political division and to import that there is constitutional and statutory authority for incurring the debts and issuing the bonds; that all the proceedings therefor are regular; that all the acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds have existed, happened and been performed in due time, form and manner as required by law; that the amount of the bond and the issue of which it forms a part, together with all other indebtedness, does not exceed any limit or limits prescribed by the constitution or statutes of this state; and that all questions connected with incurring the debt and issuing the bonds have been first submitted to a vote of the people and have received the required amount of all the votes, pursuant to section four of this article, cast for and against the same at an election regularly called and held for the purpose after notice published and posted in the manner required by law. If any bond be issued containing the recital, and also containing the endorsement of the Attorney General as aforesaid, it shall be conclusively presumed that the recital, construed according to the import hereby declared, is true and neither the political division nor any taxpayer thereof shall be permitted to question the validity or regularity of the obligation in any court or in any action or proceeding.

Acts 1923, c. 14, § 15; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-17. Bonds shall be registered

The bonds issued hereunder shall be issued only in fully registered form and shall carry registration privileges as set forth in the resolution authorizing the bonds.

Acts 1923, c. 14, § 16; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-18. Repealed by Acts 2009, c. 23, eff. July 9, 2009

Historical and Statutory Notes

The repealed section, which related to the registration of coupon bonds as to interest and the exchange of registration bonds for coupon bonds, was derived from:

Acts 1923, c. 14, § 17.

Acts 1990, 3rd Ex. Sess., c. 5.

Acts 1998, c. 320.

§ 13-1-19. Signing, sealing and delivery of bonds

All bonds issued under this article by any county shall be signed by the president of the county commission and countersigned by the clerk of the county commission; bonds issued by any municipality shall be signed by the mayor or other chief executive and countersigned by the clerk, recorder or secretary; bonds issued by a county board of education shall be signed by the president of the board of education and countersigned by the secretary thereof. The seal of the political division shall be affixed to the bonds. The delivery of any bonds so executed at any time thereafter shall be valid, although before the date of delivery the person signing the bonds shall have ceased to hold office.

Acts 1923, c. 14, § 18; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-21. Advertisement and sale of bonds

The governing body of the political division issuing bonds pursuant to this article shall sell the same and collect the proceeds, which proceeds shall be deposited with its treasurer. The governing body of the political division shall advertise such bonds for sale, on sealed bids or electronic bids if the governing body elects to utilize an electronic bidding procedure, which advertisement shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code and the publication area for the publication shall be the political division. The first publication shall be made at least fourteen days before the date fixed for the reception of bids. The advertisement shall also be published in the *Bond Buyer* or similar publication and the advertisement may be published electronically: *Provided*, That all advertisements required by this section may consist of an abbreviated notice of the sale of the bonds. The governing body may reject any and all bids.

If the bonds are not sold pursuant to the advertisement, they may, within one hundred twenty days after the date advertised for the reception of bids, be sold by the governing body at private sale, but no private sale shall be made at a price less than the highest bid which is received. If not sold, the bonds shall be readvertised in the manner herein provided. In no event shall bonds be sold for less than their par value.

Acts 1923, c. 14, § 20; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2; Acts 1992, c. 29; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-22. Purposes for which proceeds to be used; purchaser need not see to application thereof

Notes of Decisions

1. In general

A county court may not expend bond issue proceeds for a project unrelated to projects specifical-

ly approved by a vote of the people. 53 W.Va. Op.Atty.Gen. 215 (May 23, 1969) 1969 WL 100544.

ARTICLE 2C

INDUSTRIAL DEVELOPMENT AND COMMERCIAL DEVELOPMENT BOND ACT

Section

13-2C-3. Definitions.

13-2C-3a. Continuation of industrial revenue bond allocation review committee; appointment, terms of members; voting; expenses; duties.

Section

13-2C-21. Ceiling on issuance of private activity bonds; establishing procedure for allocation and disbursements; reservation of funds; limitations; unused allocation; expirations and carryovers.

§ 13-2C-1. Short title

Notes of Decisions

In general 2

1. Validity of article

By special legislation, Doddridge, Pleasants, and Tyler County courts may transfer property to Middle Island Development Authority without consideration. 51 W.Va. Op.Atty.Gen. 201 (February 19, 1965) 1965 WL 92422.

2. In general

County court authorized to issue bonds for acquiring industrial plants; can act with federal organizations in advancement of industrial development; may transfer county property for adequate consideration; may not condemn private property for industrial development; is not prohibited from using county finances as matching funds. 53 W.Va. Op.Atty.Gen. 276 (August 15, 1969) 1969 WL 100559.

§ 13-2C-3. Definitions

Unless the context clearly indicates otherwise, as used in this article:

(a) "Commercial project" means real or personal property or both, including any buildings, improvements, additions, extensions, replacements, appurtenances, lands, rights in land, water rights, franchises, machinery, equipment, furnishings, landscaping, utilities, railroad spurs and sidings, parking facilities, farms, parking wharfs, approaches and roadways or any number or combination of the foregoing necessary or desirable in connection with a commercial enterprise or incidental thereto and includes, without limiting the generality of the foregoing, hotels and motels and related facilities, nursing homes and other health care facilities, facilities for participatory or spectator sports, conventions or trade show facilities, airport facilities, shopping centers, office buildings, residential real property for family units, and mass commuting facilities, dormitories, apartments and other housing facilities for the students and faculties of institutions of higher education, instructional buildings and other facilities used in connection with nonpublic institutions of higher education, facilities providing